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Fish and Wildlife Markets Challenges and Emerging Opportunities

Rob Southwick



Fish and Wildlife Markets

Challenges and Emerging Opportunities

**Thomas M. Franklin, Theodore Roosevelt
Conservation Partnership**

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Introduction

- How can markets enhance wildlife habitat?
- What is the size of the market for wildlife services?
- What is the demand for access to wildlife services?
- How much are people willing to pay for wildlife services?
- Why are there emerging markets for wildlife services?
- Is there a market place for wildlife services?
- How would a wildlife services market be developed?
- What are the barriers to wildlife services markets?
- What are some possible mechanisms for wildlife services markets?

Markets: Can Increase Opportunity to Enhance Wildlife Habitat

By:

- Communicating incentives to landowners leading to increased wildlife conservation.
- Increasing revenues to landowners who practice wildlife conservation.



Current Landowner Revenues from Fish and Wildlife

- Hunting, wildlife viewing, and fishing on private lands generate significant income:

- Hunting in 2006:

- \$749 million to lease lands for a season

- + \$397 million in access fees (day hunts, outfitters payments to landowners, etc.)

- \$1.15 billion in payments**

Source: 2006 National Survey of Fishing, Hunting and Wildlife-Associated Recreation, U.S. Fish and Wildlife Service.

Current Landowner Revenues from Fish and Wildlife

- Hunting, wildlife and fishing on private lands generate significant income:

- Wildlife Viewing in 2006:

- \$316 million to lease lands for a season

- + \$ 66 million in access fees (day trips, outfitters payments to landowners, etc.)


- \$382 million in payments**

Source: 2006 National Survey of Fishing, Hunting and Wildlife-Associated Recreation, U.S. Fish and Wildlife Service.

Current Landowner Revenues from Fish and Wildlife

- Hunting, wildlife and fishing on private lands generate significant income:
 - Sportfishing in 2006:
 - \$322 million to lease lands for a season
 - + \$144 million in access fees (day trips, outfitters payments to landowners, etc.)
 - \$466 million in payments**

Source: 2006 National Survey of Fishing, Hunting and Wildlife-Associated Recreation, U.S. Fish and Wildlife Service.

A large fish, possibly a salmon, is shown swimming in a stream over rocks. The fish is the central focus, with its body angled towards the right. The water is clear, and the rocks are dark and textured. The background shows more rocks and water, creating a natural setting.

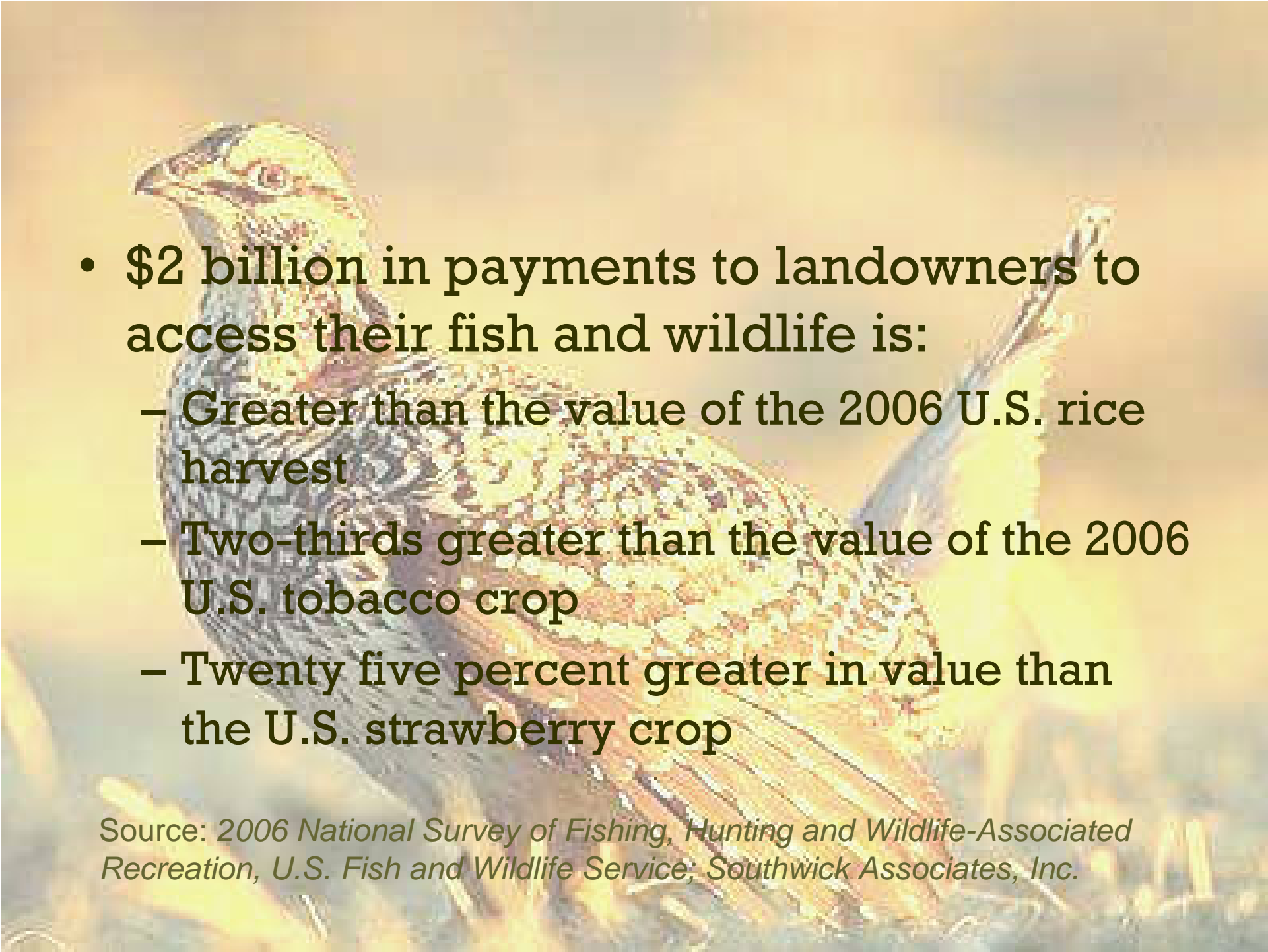
Current Landowner Revenues from Fish and Wildlife

**Altogether, hunting, wildlife and fishing
on private lands generate:**

\$2 billion

in payments to landowners

*Source: 2006 National Survey of Fishing, Hunting and Wildlife-Associated
Recreation, U.S. Fish and Wildlife Service.*

- 
- **\$2 billion in payments to landowners to access their fish and wildlife is:**
 - Greater than the value of the 2006 U.S. rice harvest
 - Two-thirds greater than the value of the 2006 U.S. tobacco crop
 - Twenty five percent greater in value than the U.S. strawberry crop

Source: 2006 National Survey of Fishing, Hunting and Wildlife-Associated Recreation, U.S. Fish and Wildlife Service; Southwick Associates, Inc.

Demand for Access to Fish and Wildlife is Growing

- 2001 = \$1.6 billion (hunting, fishing & wildlife viewing)
- 2006 = \$2.0 billion

25% growth in five years!

Demand is increasing:

- Even though hunter numbers decreased 4% since 2001, hunting leases grew 1.4% by 2006 (inflation is accounted for)

Source: 2006 National Survey of Fishing, Hunting and Wildlife-Associated Recreation, U.S. Fish and Wildlife Service; Southwick Associates, Inc.

Amount Paid Per Participant in 2006...

- Per paying hunter = \$861 annually
- Per paying wildlife viewer = \$1,647 annually (based on a small sample size)
- Per paying angler = \$1,408 annually

Source: 2006 National Survey of Fishing, Hunting and Wildlife-Associated Recreation, U.S. Fish and Wildlife Service

Income Per Acre of Land for...

- **Hunting:**

\$3.42 = national average per acre, all types of lands

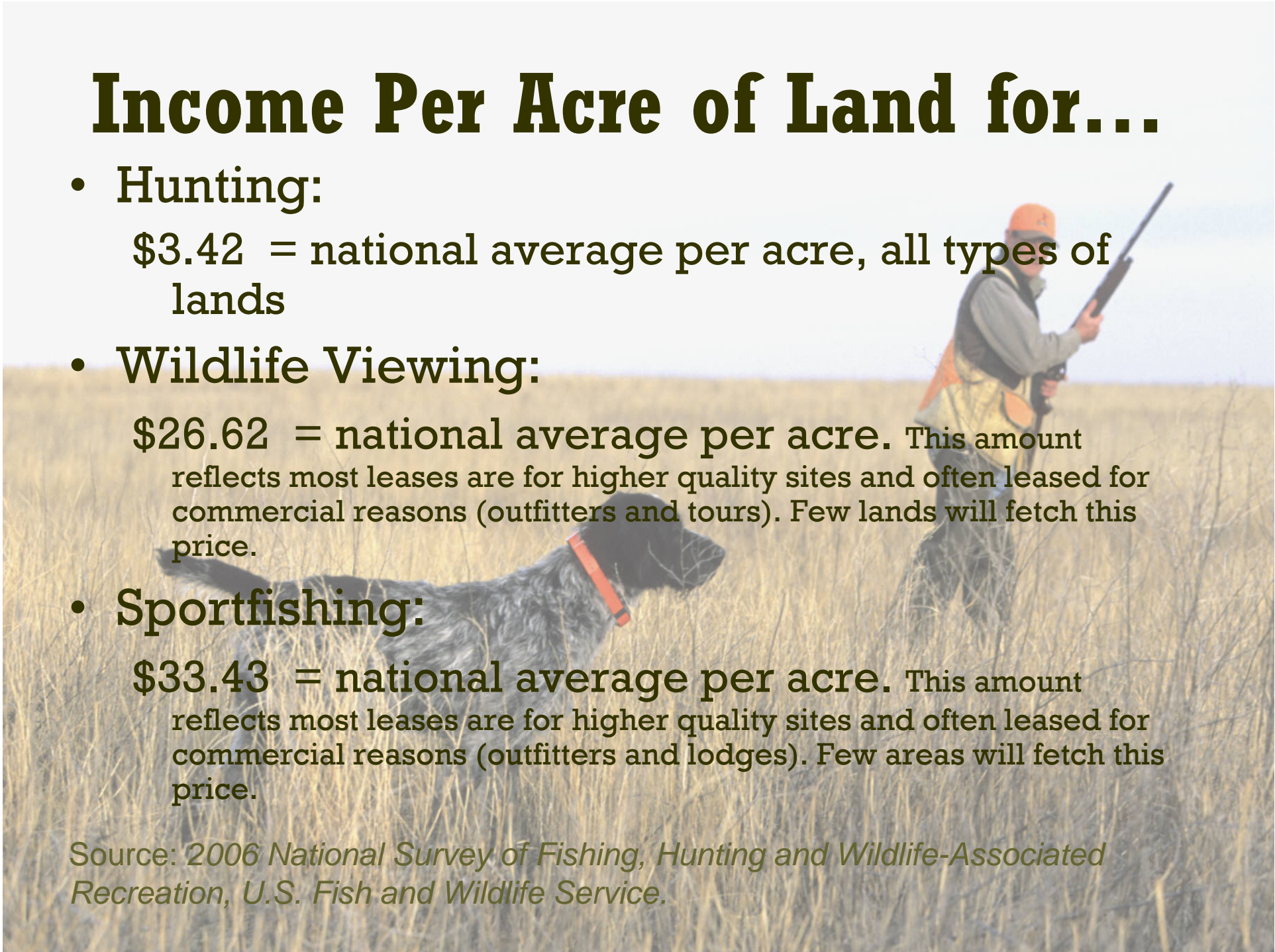
- **Wildlife Viewing:**

\$26.62 = national average per acre. This amount reflects most leases are for higher quality sites and often leased for commercial reasons (outfitters and tours). Few lands will fetch this price.

- **Sportfishing:**

\$33.43 = national average per acre. This amount reflects most leases are for higher quality sites and often leased for commercial reasons (outfitters and lodges). Few areas will fetch this price.

Source: 2006 National Survey of Fishing, Hunting and Wildlife-Associated Recreation, U.S. Fish and Wildlife Service.



A photograph of several deer running through a field with trees in the background. The scene is captured in a natural, outdoor setting with a mix of green and brown tones, suggesting a forest or park area. The deer are in motion, running from left to right across the frame. The background shows a dense line of trees and foliage.

**Why is it there are \$2 billion in
payments to landowners**

**And yet we are discussing
Emerging Markets for Wildlife
Services?**

Markets Reduce Costs

- For both buyers and sellers
- They save time by bringing like buyers and sellers together
- They provide information on
 - Prices
 - Product
 - Quality
- These reduced costs increase likelihood of a transaction

Markets

**Let Customers examine goods
and services offered and
purchase those that they are
seeking**



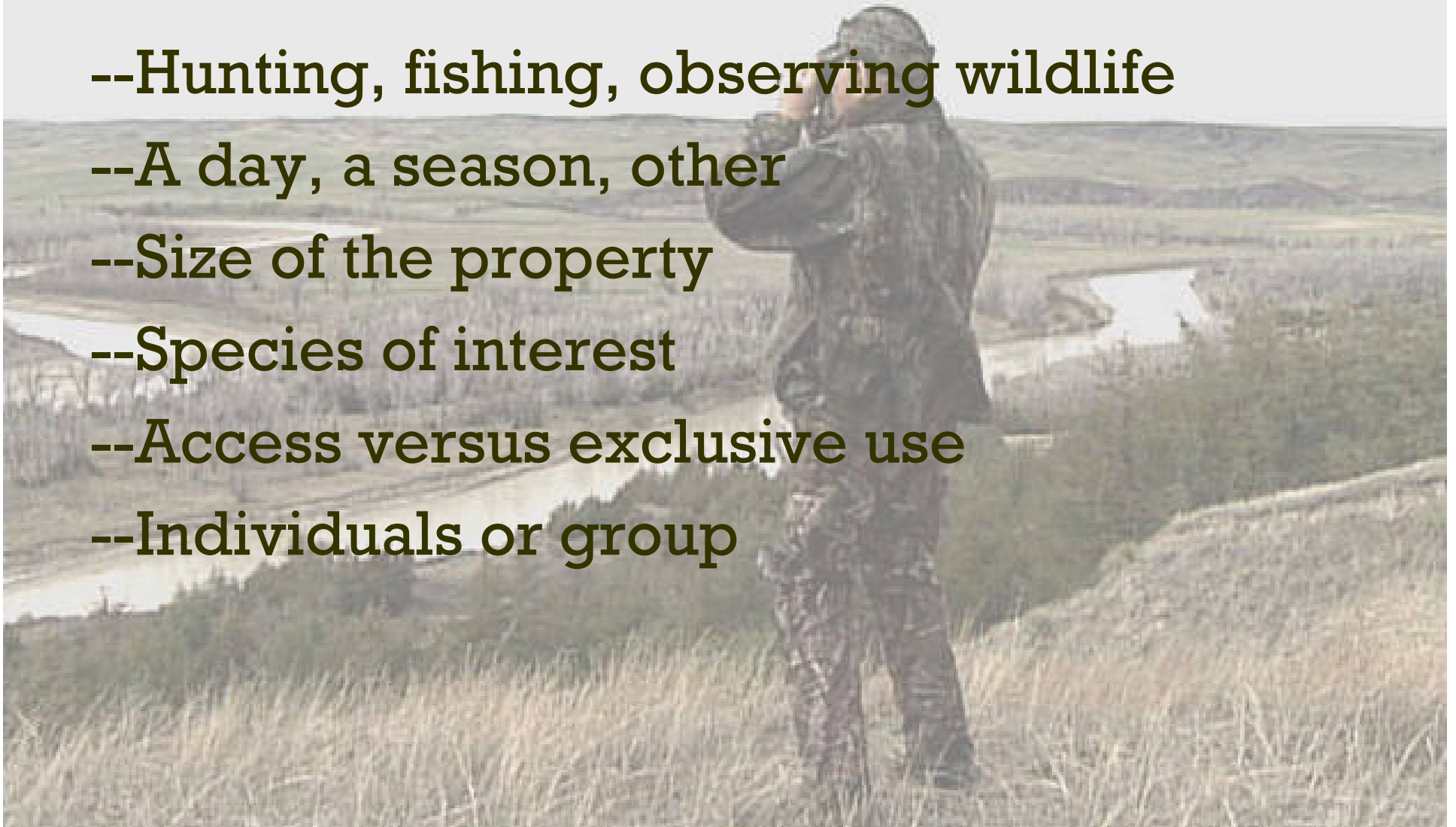
Wildlife Services

We currently lack a market place where wildlife services can be identified, displayed, and examined



What Wildlife Services are being exchanged?

- Hunting, fishing, observing wildlife**
- A day, a season, other**
- Size of the property**
- Species of interest**
- Access versus exclusive use**
- Individuals or group**



A photograph of several mountain sheep in a field with trees in the background. The sheep are in the foreground, and the background shows a line of trees under a bright sky. The text is overlaid on the image.

Developing a Market would:

**Help identify the Wildlife
Services being exchanged**

A large, detailed image of a fish, possibly a trout or salmon, swimming in a river. The fish is positioned in the lower half of the frame, moving from left to right. The water is clear, and the riverbed is composed of numerous smooth, dark rocks. The background shows the surface of the water with some ripples and reflections. The overall scene is natural and serene.

A Market would:

**Let compatible buyers and
sellers identify each other**

CRP Survey Finds Growth Potential for a Wildlife Services Market



- **Income from fish and wildlife:**
 - **varies depending:**
 - **on proximity to populations centers where hunters lack access**
 - **Amount of acres offered**
 - **Quality of fish and wildlife opportunities available**
 - **Amenities, services and facilities offered**
 - **How well known your site is among potential customers**
 - **helps offset crop damages from wildlife**
 - **is growing...**
- **A Wildlife Services Market could expand transactions for access to fish and wildlife-related recreation**

On CRP Lands

- Fish and wildlife generate income opportunities for CRP contract holders:
 - 57% of CRP enrollees said their lands were used for recreation
 - (89% hunting, 44% wildlife viewing, 23% hiking/walking, and 7% for fishing)
 - Only 10% of these charged for use of their lands, receiving \$21.3 million (<\$10 per acre)
 - As demand increases and land becomes more scarce, the percentage of CRP contract holders who charge for access is expected to increase.

Source: *Recreational Use & Economics of Conservation Reserve (CRP) Acreage: A National Survey of Landowners, FSA, 2007. Prepared by Southwick Associates and DJ Case & Associates.*

Can Landowner Revenues from Fish and Wildlife Grow?

- Two primary factors dictate growth:
 - Landowners: will they offer their lands?
 - Recreationists: do they know where to go to find lands?



Landowners

- Not all landowners will open their land to paid access:
 - Only 5% of all CRP contract holders charge for use of their lands
- Of CRP contract holders allowing recreational use of their lands and *not* charging for access (51% of contract holders), the most common explanation for not receiving a fee was:
 - “I do not believe fees should be charged for hunting or other recreation” (40%)
 - “I do not have sufficient amount of land to lease for hunting” (26%), and
 - “I did not have the opportunity” (19%) were also common responses.

Source: *Recreational Use & Economics of Conservation Reserve (CRP) Acreage: A National Survey of Landowners*, FSA, 2007. Prepared by Southwick Associates and DJ Case & Associates.

Landowners

- Reasons preventing many landowners (not just CRP contract holders) from opening their lands to paid access include:
 - Loss of privacy
 - Accident liability, and
 - Conflicts with personal use of land
- Of these reasons, liability is one issue that can be addressed to help landowners boost income opportunities

Source: Hussain, Anwar; Munn, Ian A.; Grado, Stephen C.; West, Ben C.; Daryl Jones, W.; Jones, Jeanne. Hedonic Analysis of Hunting Lease Revenue and Landowner Willingness to Provide Fee-Access Hunting. *Forest Science*, Volume 53, Number 4, August 2007 , pp. 493-506(14).

Landowners

- Open Fields legislation
 - Would provide \$20 million annually to landowners if they allow public access for hunting and fishing
 - Would adopt state mechanisms for landowner liability protection.



Recreationists



- A major problem: Lack of access to landowners who are willing to provide access
 - Most recreationists seeking access are from suburban and urban areas where land is scarce
 - Most are not comfortable knocking on strangers' doors
 - There is a demand for a venue for landowners and customers to meet

The Internet as a Wildlife Services Market Place

- An Internet Site for Wildlife Services should include:**
- Coordination with local chamber of commerce, Farm Bureaus or local businesses such as motels
- Promotion to landowners and recreationists (media and advertising support)
- Evaluation of the quality of lands being offered, and screening of customers to eliminate dangerous or untrustworthy clients

Summary

- Demand for wildlife services exists
- The interest and ability of landowners to provide wildlife services may be increasing
- Barriers to wildlife services markets include:
 - Differing beliefs about public access to wildlife
 - Bringing buyers and sellers together
 - Landowner liability concerns
 - Ensuring quality recreational experiences
- The internet may provide a more efficient market mechanism for wildlife services