Is a Wildlife Enterprise on Your Farm or Ranch Right for You?

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If you are fortunate enough to have wildlife on your property that others are interested in hunting or viewing then a wildlife enterprise may be a way to generate additional income. Integrating a wildlife enterprise into a ranch or farm operation could potentially diversify income with minimal impact to fixed costs and variable costs primarily being determined by the amenities associated with the enterprise. The presence of desirable wildlife species allows you to promote and sell a marketable product that you have under current management. Specifically, you are selling access, opportunity and an experience, but not wildlife. No one individual owns wildlife in New Mexico, but rather the New Mexico Department of Game and Fish holds all wildlife in trust for citizens of the state. Possible enterprises include hunting, photo safaris, or bird watching access all of which may include a host of amenities from daily access to multiple course gourmet meals, 5-star lodging accommodations and transportation. Writing a wildlife enterprise balance sheet that estimates costs and revenue from your planned operation will greatly aid you in determining the advisability of pursuing such an enterprise based on expected profitability. The following discussion will focus on assessing and planning for hunting-based wildlife enterprises.

Fixed costs, such as land, are not likely to increase with the addition of a wildlife enterprise. The number, type of hunts and associated amenities will determine variable costs associated with the wildlife enterprise. The price you are able to charge may vary widely depending on the quality of the experience offered and the types and quality of amenities. The first step in determining the potential for selling a hunting experience on your private property is to assess the diversity, quality and quantity of wildlife resources present. As an initial assessment determine the different wildlife species present, a best guess on population size, male:female:young ratios and trophy status of individual animals and the amount of time and seasons the species are present on your property. It may be worthwhile to hire a consultant to expertly assess your wildlife resources. Once you have completed the initial assessment consider your newly gained knowledge against your vision of the type of wildlife enterprise you are planning to create. Hunting-based wildlife enterprises fall under two basic categories: the trophy hunt or the opportunity hunt. Opportunity hunts are such that clients will likely see numerous game animals some of which will be legally harvestable, but few if any trophy quality animals. Upland game hunts fall under this category. These types of wildlife enterprises may not bring the premium that trophy hunts can but may be quite successful if marketed with the proper suite of amenities to the appropriate population demographic. Trophy hunts are hunts in which clients may reasonably expect to see trophy quality animals during their hunt. Past evidence of trophy animals being harvested, such as photographs and official measurements, will demonstrate the trophy status of the hunt. Claiming that you provide trophy hunts without being able to produce trophies will ensure your wildlife enterprise is short lived. Providing a quality trophy hunt with superior amenities will bring a premium.
Three general strategies exist for managing hunts and hunters on your property. Each strategy has advantages and disadvantages. Option one: contract with an outfitter by selling your landowner tags and assessing a property access fee for each tag. If you know and trust the outfitter, this strategy may be hard to beat. The primary advantage is someone else does the ‘heavy lifting.’ Disadvantages may include less profit and day-to-day control and knowledge of activities on your property during the hunt. Option two: hire an employee to handle the hunting enterprise. This approach splits the effort where you may be directly involved in marketing the hunts but your employee handles all aspects of the hunt including interactions with the clients. You have more control over the operation and the allegiance of the employee running the hunts. The main disadvantage is the additional cost of hiring someone to act as your agent. Option three: do it yourself (DIY). This approach affords you complete control over all details and amenities associated with the hunt. This can mean lower overall costs and greater profits at the end of the season. The primary disadvantage is it requires you to directly engage hunters, fill hunter requests, solve problems and tackle personality issues. Additionally, conflicts may arise if hunts coincide with critical farm or ranch operations, such as weaning, shipping or crop harvest. This approach is best suited for someone with the personality and willingness to deal directly with clients. It is not uncommon to earn and develop repeat clientele and lifelong friendships. Regardless of the strategy selected, it is desirable to protect your investment and enterprise by obtaining liability insurance and working with an attorney to develop a contract specific to your wildlife hunting enterprise.

Request your attorney write a contract that includes all specifications and concerns you wish addressed. Typical inclusions in a contract are purpose of contract, land description - including boundaries, statements that hunters are bound by federal and state game laws, starting and ending dates, amount to be paid, schedule of payments, duties of contractor and client, specific terms, remedies for breach of contract, “as is” clause, non-transferable statement, termination provisions and any closing formalities. Stipulations and conditions covered in the contract may include all ranch rules including areas of the ranch that are off limits, amenities to be provided, names of hunters and guests, the species being hunted, ranch stipulations for quantity or quality of species to be taken, terms that include allowable and forbidden activities. Being specific and detailed on these stipulations and conditions will help ensure your interests are protected and improve landowner-hunter relationships by providing clear expectations. After the contract is written have your insurance agent look it over to ensure it contains appropriate clauses for your liability policy.

Writing a plan will go a long way in informing you if a wildlife enterprise is right for you. A plan might include name of the enterprise, goals and objectives, description of the property including geography, topography and vegetation, current status of wildlife, wildlife population and habitat goals, procedures for conducting systematic population surveys, monitoring of trophy animals and harvest success, habitat and vegetation monitoring, parallel or competing enterprises on the property, methods to integrate wildlife enterprise with farm or livestock enterprises, type of hunts offered, dates of hunts, amenities to offer, price list, list of allowances and prohibitions, and an enterprise specific budget. The descriptive and goal components of a plan help set the stage and direct effort. Monitoring components of a plan provide the information on which annual and long-term decisions will be made. The financial components in a plan help determine profitability and guide decisions on inevitable changes that accommodate new circumstances and to increase profits. Through assessment and planning for a wildlife enterprise on your ranch or farm you can determine if such an effort may be possible and an opportunity to diversify income.

As part of the operation you will want to contact New Mexico Department of Game and Fish (NMDGF) to get information on programs for private property owners, specifically the Elk-Private Land Use System (E-PLUS) and the Antelope-Private Land Use System (A-PLUS). Call the department at 1-505-476-8000 and ask for the Private Lands Program Coordinator for information on E-PLUS, A-PLUS
and other private land programs through NMDGF or visit them at
http://www.wildlife.state.nm.us/recreation/hunting/index.htm for information. You may need to obtain an
outfitter or guide license depending on the types and extent of your hunts. Contact the Outfitter and
Guide Program Coordinator at the number above for more information on circumstances where such
licensing is necessary. If you have state or federally managed lands on your ranch or adjacent to your
property that you plan to include as part of your wildlife enterprise you will want to contact the
appropriate state or federal office to obtain a recreational use permit typically required for commercial
operations on state or federal lands.

UPCOMING EVENTS

New Mexico Cattle Growers’ Convention
Albuquerque, NM – December 4-6, 2014

Southwest Beef Symposium
Amarillo, TX – January 14-16, 2015

Tucumcari Bull Test Bull Sale
Tucumcari, NM     -     March 14, 2015

Horse Expo & Sale
NMSU Horse Center – Las Cruces, NM
April 18, 2015   -   Joby Priest, Horse Manager

NMSU Bull Sale
NMSU Horse Center – Las Cruces, NM
April 25, 2015   -   Neil Burcham

US Dairy Education & Training Consortium
May 18 – June 26, 2015
Clovis, NM
Information at usdetc@tamu.edu

NM Youth Ranch Management Camp
Valles Caldera, NM
May 31 – June 5, 2015
From our staff to yours

Happy & Blessed Thanksgiving

Nov. 27th

All NMSU offices will be closed Thursday, November 27th and Friday, November 28th due to the Thanksgiving Holiday

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