

POTENTIALS AND PROBLEMS OF FARM BASED
RECREATIONAL ENTERPRISES IN OKLAHOMA

By

ALFRED LARRY HEARD

Bachelor of Science

Oklahoma State University

Stillwater, Oklahoma

1966

Submitted to the Faculty of the Graduate College
of the Oklahoma State University
in partial fulfillment of the requirements
for the Degree of
MASTER OF SCIENCE
July, 1967

OKLAHOMA
STATE UNIVERSITY
LIBRARY
JAN 10 1968

POTENTIALS AND PROBLEMS OF FARM BASED
RECREATIONAL ENTERPRISES IN OKLAHOMA

THESIS APPROVAL:

Daniel D. Badger

Thesis Adviser

John R. Graumann

Charles H. Lutz

D. D. Durlan

Dean of the Graduate College

658819

ACKNOWLEDGMENTS

Sincere gratitude is extended to Dr. Daniel Badger, Chairman of my graduate committee, for his supervision and guidance of my graduate study and the writing of this thesis. Indebtedness is expressed to Dr. Charles Little and Dr. John Franzmann, graduate committee members, for their editing of and suggestions for this thesis.

I wish to express my appreciation to Dr. James S. Plaxico and the Agricultural Economics Department for making this study possible. The facilities and assistance provided were essential to the completion of this thesis.

The author is especially grateful to the Soil Conservation Service personnel, including Earl Rowley in the State office, and all the Area Conservationists, Work Unit Conservationists, and other employees of SCS, USDA, who aided in this study. Their fine cooperation and the excellent cooperation of the recreation enterprise operators made the task of interviewing an enjoyable experience.

Special thanks are due to Mrs. Carol Mitchell for typing the preliminary drafts and to Mrs. Carolyn Hackett, Mrs. Bonnie Garner, and Mrs. Phyllis Carruth for typing the final thesis.

I am especially grateful to my parents, Mr. and Mrs. Buck Heard, for their encouragement and inspiration, and special gratitude is due my wife, Emma Heard, for her patience and encouragement without which this thesis could not have been written.

TABLE OF CONTENTS

Chapter	Page
I. INTRODUCTION	1
Potentials	3
Problem	7
Objectives	8
Procedure	8
Review of Literature	11
Location of Recreation Enterprises in State and Area of Study	12
II. GENERAL CHARACTERISTICS OF RECREATIONAL ENTERPRISES	14
Location and Distance	14
Lodging and Eating Facilities	16
Length of Time in Operation and Ownership of the Enterprises	16
Reasons for Entering the Recreation Business and Suggestions for Changing the Enterprise	17
Advertising	18
Management Problems	18
Complementary Aspects	20
III. ANALYSIS OF RECREATIONAL ENTERPRISES BY TYPE	23
Fishing Lakes	23
Youth Camps	28
Minnow and Fish Farms	32
Private Hunting Areas	32
Swimming Areas	33
Vacation Farm, Campgrounds and Related Enterprises	34
Implications of Enterprise Budgets	38
IV. MANAGEMENT PROBLEMS AND CONSIDERATIONS	43
Seasonality of Use	43
Advertising	45
Sanitation	46
Vandalism	47
Other Problems	47
Good Records are a Must	48
Legal Obligations in Operating Farm Recreation Enterprises	49

TABLE OF CONTENTS (Continued)

Chapter	Page
V. SUMMARY AND CONCLUSIONS	56
Summary	56
Conclusion	58
Need for Further Research.	59
LITERATURE CITED	61
APPENDIX	63

LIST OF TABLES

Table	Page
I. United States Population and Per Capita Income for Selected Years, 1930 to 1965	1
II. Survey of Recreational Enterprises, For Fifty Counties in Oklahoma, July, 1964	10
III. Advertising Methods Used by Operators of Recreational Enterprises in Oklahoma	19
IV. Percentage of Operators Using Different Methods of Paid Advertising	19
V. Gross Agricultural Sales from Farms and Percent of Farms Surveyed in Each Sales Category	21
VI. Operator's Appraised Value of Farm Including Recreational Area	21
VII. Typical Costs and Returns for a Fishing Enterprise on PL 566 Lake in Oklahoma	24
VIII. Typical Costs and Returns for a Developed Fishing Lake.	26
IX. Costs and Returns for a Fishing Enterprise to Yield a Satisfactory Return to Land, Labor, and Management.	27
X. Typical Costs and Returns for a Youth Ranch	29
XI. Costs and Returns for a Summer Camp for Boys and Girls	31
XII. Costs and Returns for a Swimming Enterprise	35
XIII. Costs and Returns for a Vacation Farm (Guest Ranch) and Weekly Square Dance Enterprise	37
XIV. Typical Costs and Returns for a Campground Enterprise.	39
XV. Costs and Returns for a Camping and Boat Launching Enterprise	40

LIST OF TABLES (Continued)

Table	Page
XVI. Costs and Returns for a Float Trip and Resort Camp	41
XVII. Average Proportion of Receipts Received in Each Quarter of the Year, by Type of Enterprise	44
XVIII. Distribution of Annual Receipts Between Weekdays and Weekends by Type of Enterprise	44
XIX. Distribution of Annual Receipts by Source, by Type of Enterprise	45
XX. Example of a Partial Budget for a Recreation Enterprise in Conjunction with an Existing Farm Operation	50
XXI. Insurance Premium for a Typical Recreational Enterprise	55

LIST OF FIGURES

Figure	Page
1. State Parks and Recreational Areas, and Federal "Sites" in Oklahoma	5
2. Federal and State Reservoirs in Oklahoma	6
3. Location of Public and Private Outdoor Recreational Facilities in Oklahoma, by County, as of July 1, 1966	13

CHAPTER I

INTRODUCTION

Demand for recreation is expected to triple by the year 2000 [1, p. 34]. Many factors have influenced the rapidly rising demand for outdoor recreational facilities. Four factors -- population increases, increases in real per capita income, increased leisure time, and improvement in transportation facilities -- appear to have the greatest effect.

The data on United States population and per capita incomes presented in Table I will give some idea of the upward trend of these two factors.

TABLE I
UNITED STATES POPULATION AND PER CAPITA INCOME
FOR SELECTED YEARS, 1930 TO 1965

Year	United States Population Millions	Per Capita Personal Income	
		Actual	Deflated ^a
		--Dollars--	
1930	123	624	1,072
1940	132	595	1,219
1945	140	1,234	1,968
1950	152	1,491	1,779
1955	166	1,866	2,000
1960	181	2,217	2,150
1965	194	2,746	2,499

^a1957-59 was used as the base period in deflating disposable income.

Source: Survey of Current Business, Vol. 46, No. 8, August, 1966, U.S. Dept. of Commerce, Office of Business Economics, U. S. Printing Office, Washington, D. C.; Current Population Reports, Series P-25, July 29, 1966, U. S. Department of Commerce, Bureau of the Census, U. S. Printing Office, Washington, D. C.

In recent years population has grown at a rate of approximately 1.6 percent per year. Marion Clawson predicts the population will be between 300 and 350 million persons by the year 2000. Disposable income per capita has also been increasing and is expected to double by the year 2000 [1, p. 34].

The average workweek in the United States decreased from about 60 hours at the turn of the century to 49.7 hours in 1920, 43.3 hours in 1940, and 39.7 hours in 1960 [2, p. 299]. This means that Americans today have 20 more hours of leisure time than their grandfathers did at the turn of the century. Some nationally known economists are predicting that the average workweek will drop below 30 hours by the year 2000.

Participation in outdoor recreation requires varying amounts of travel. The average travel per person before the first World War was less than 500 miles per year, and has increased to approximately 6,000 miles in recent years [1, p. 36]. The annual per capita travel is expected to rise to about 9,000 miles by the year 2000. Much of this increased travel is related to recreational pursuits by individuals and families.

The effect of each of these factors has a large impact on increasing the demand for outdoor recreational facilities. However, due to the complementary aspects of these factors, the combined effect is even greater. More people with greater incomes, increased leisure time, and increasingly better travel facilities all have increased the demand for outdoor recreation at a more rapid rate than most researchers thought possible a few years ago.

Potentials

Nearly everyone enjoys recreation as Webster defines the term: "refreshment after toil." Much of this re-creating by our citizens will be done in, on, or near the water. People seeking the out-of-doors look for bodies of water for fishing, boating, water skiing, swimming, and other recreational activities. Even campers look for the proverbial "babbling brook" beside which to spend the night. Obviously, there are certain hunting groups such as deer hunters who are not concerned whether their recreational experience includes water. However, even for hunters, water is a necessity when looking for water fowl (ducks, geese, etc.).

The question is who -- or what agency -- will supply this increasing demand for outdoor recreational facilities. Oklahoma has been a leader in all forms of water resource development, both private and public. Many farmers and others have taken the lead in developing farm ponds both on their own initiative and through the Agricultural Conservation Program administered by the Agricultural Stabilization and Conservation Service. Many other upstream detention structures have been built in Oklahoma under the Washita River Basin and the PL 566 program, in cooperation with the Soil Conservation Service and the local associations. In many instances both of these types of "farm ponds" have been stocked with fish and are open to the public. In a few cases, farmers are charging access rights for use of these ponds, but the use of a majority of the structures is on a free basis.

The State Park Department has developed an outstanding parks system in Oklahoma. Again, most of these park facilities are located

around bodies of water. The present difficulty appears to be to attain sufficient appropriations to operate and maintain the present facilities, as well as to develop new facilities in other areas of the state (Figure 1).

The U. S. Forest Service operates the Ouachita National Forest in Eastern Oklahoma, as well as some National Grasslands in Western Oklahoma. The National Park Service operates Platt National Park and the Bureau of Sports Fisheries and Wildlife (U. S. Department of Interior) operates four refuges in Oklahoma (Figure 1).

Water resource development through construction of large downstream reservoirs by the Bureau of Reclamation and U. S. Army Corps of Engineers has made Oklahoma a water recreation paradise to millions of Americans. The Bureau of Reclamation has constructed five reservoirs in Central and Western Oklahoma -- Lugert (Altus), Foss, Ft. Cobb, Thunderbird (Norman); and Arbuckle. The Corps of Engineers has completed twelve reservoirs and has three others (Kaw, Pine Creek, and Broken Bow) under construction in Oklahoma. Several others have been authorized for construction. Most of the Corps reservoirs are in Eastern Oklahoma. In addition, the State of Oklahoma under the auspices of the Grand River Dam authority has constructed two reservoirs: Pensacola (Lake O' the Cherokees) and Markham Ferry. Recreational activities abound on and around all these reservoirs (Figure 2).

In the case of all the state parks, and generally with all federally managed recreational facilities, access is free to the public. In other words, the user does not pay an admission fee to enter the area or to use facilities within the area. The Corps of Engineers and National Park Service have tentative plans to charge a fee at a few

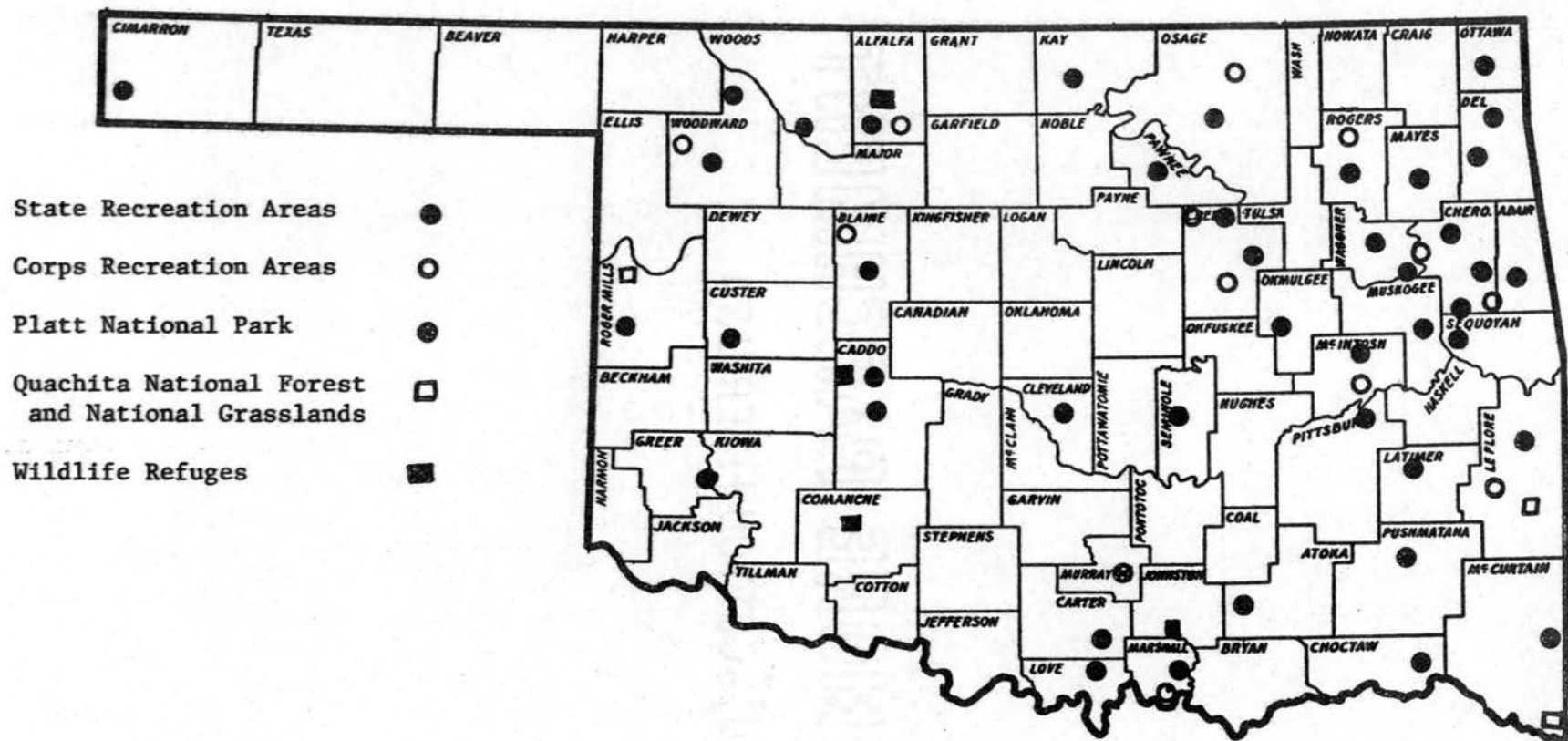


Figure 1. State Parks and Recreational Areas, and Federal "Sites" in Oklahoma.

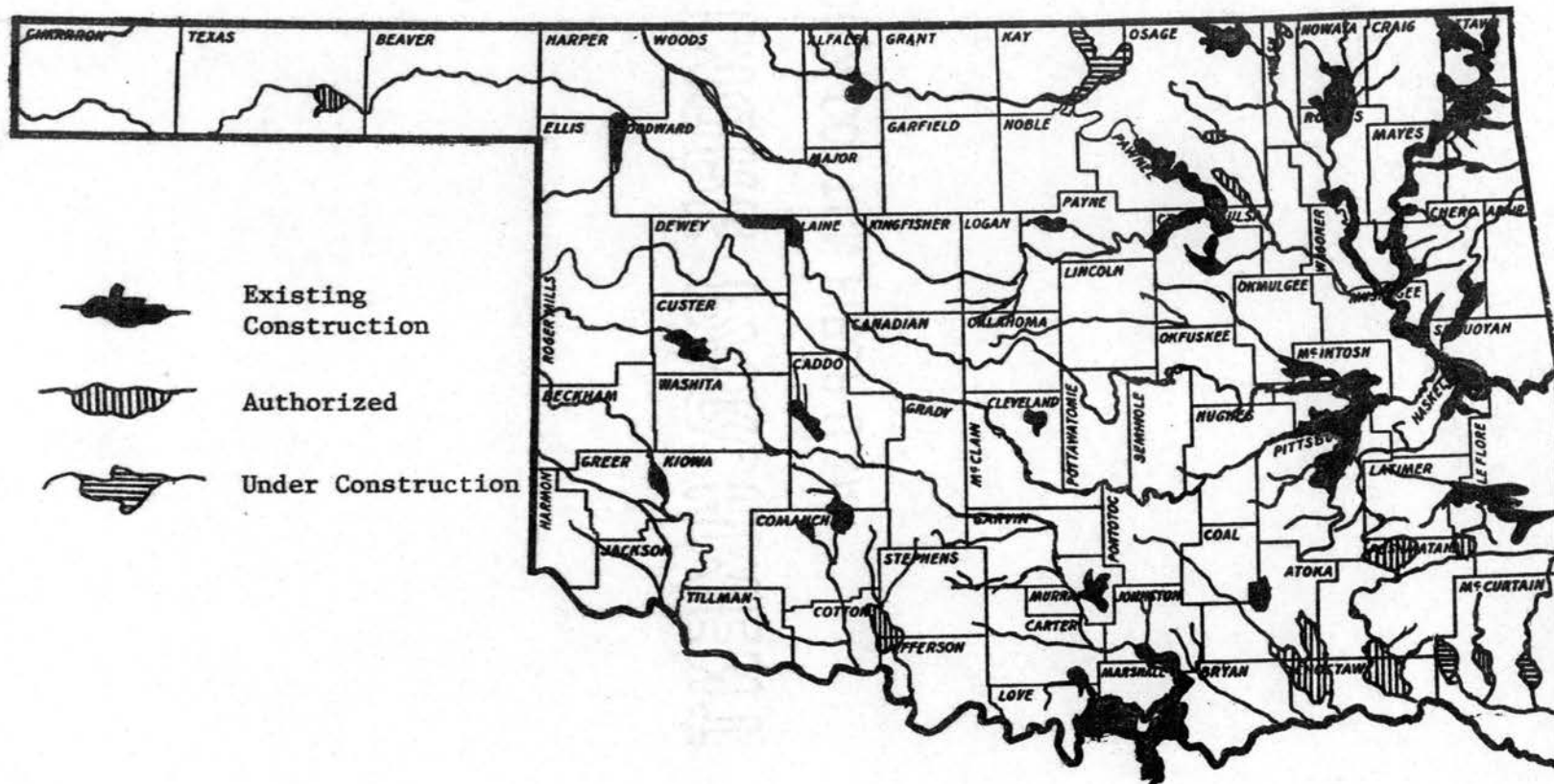


Figure 2. Federal and State Reservoirs in Oklahoma.

highly developed sites this year. However, both Oklahomans and tourists have free access to a bountiful supply of recreational activities in Oklahoma. Contrast this to the situation in Kansas, where a \$5 annual fee is charged to people using any state park or in Texas where fees are charged in state parks for camping.

Problem

This increase in demand for outdoor recreational activities has generated increasing pressure on all public recreational facilities. Many of these public facilities are already overcrowded. The U. S. Forest Service reports that the camp and picnic grounds on the National Forest received 70 percent overuse in 1962 [3]. Consequently, it is inevitable that a high proportion of future outdoor recreation in this country will take place on privately owned facilities.

More recreationists are becoming interested in finding recreational facilities away from the overcrowded public areas and are willing to pay for the privilege of using these private areas. The development of income producing recreational enterprises on private land has been encouraged by various public agencies to help meet the increasing demand. These agencies have become involved to a greater degree in technical assistance and in loaning money for the development of private recreational facilities.

Landowners can receive additional income from the recreationist, and the recreationist will have access to additional high quality recreation areas. However, there are pitfalls in developing and managing recreational enterprises, particularly in conjunction with an existing farming operation. Very little information is available

concerning the profitability or problems of operating various enterprises. Information is also needed on the amount of investment, and expected yearly returns by types of enterprise. Hopefully, the results of this study will provide some answers to these questions.

Objectives

The general objective of this study was to determine the opportunities and potentials for development of private outdoor recreation enterprises in Oklahoma. Specific objectives were to: (1) provide information concerning the existing recreation enterprises in the state; (2) provide operational information concerning certain types of enterprises; (3) point out management and technical problems that may arise; and, (4) develop budget estimates for typical outdoor recreation enterprises.

The results of this study may provide useful information for individuals who are interested in establishing private outdoor recreational enterprises. It also provides information for agencies concerned with developing outdoor recreational enterprises on water resource development projects or in connection with other development. This study also identifies some of the problems and limitations of such recreational enterprises. Budgets for typical recreational enterprises also provide information concerning size of investment and expected returns.

Procedure

A representative sample of different types of recreational enterprises in Oklahoma were selected for the study. Information concerning the existing recreational enterprises in the state was obtained by

personal interviews with the owner and/or operator. Schedules consisting of 13 pages of questions concerning the enterprises and their operation were taken during the Fall of 1965 and Summer of 1966 (Appendix A). Approximately 50 usable schedules were obtained.

Data on operation of all the enterprises were tabulated and analyzed. Certain management and technical problems were mentioned by nearly every operator. How these problems are handled is very important in determining the survivability of the recreational enterprise. Some of these factors are discussed in Chapter IV.

From the information concerning investments and returns, budget estimates were developed for different types of recreational enterprises. Very good information concerning investments and costs was obtained. However, very few operators maintained a set of records of income, and some refused to divulge exact numbers of customers or amounts of income. Consequently, the income data are not as good as had been hoped for.

The Soil Conservation Service cooperated in supplying the names and addresses of individual enterprise operators. They also coordinated many of the personal interviews. The schedules were taken in all areas of the state reporting recreational enterprises.

A preliminary survey of private recreational enterprises in Oklahoma was made in 1964 through the County Extension Agents. Schedules were returned from 50 counties. That survey provided some idea of the relative number of different enterprises located in Oklahoma (Table II).

TABLE II
 SURVEY OF RECREATIONAL ENTERPRISES FOR FIFTY
 COUNTIES IN OKLAHOMA, JULY, 1964

Type of Enterprise	Number of Enterprises
Privately owned fish ponds or lakes- for fee	278
Float trip - for fee	12
Boat rentals - for fee	90
Fishing guide service	11
Hunting guide service	4
Fish bait farms	68
Artificial lures - manufacturing	24
Private camp grounds - for fee	48
Vacation farms or dude ranches	6
Local public camp grounds - for fee	14
Riding stables - for fee	24
Pony rides - for fee	15
Summer camps - for fee	25
Private hunting preserves -- for fee (pen raised game)	5
Private hunting areas -- leased (wild game)	222
Fishing farms, private - for fee	28
Others ^a	104

^aCaves, private -- for fee; museums, private -- for fee; summer camps, private -- for fee; and miscellaneous.

Source: Obtained by Survey of County Agents.

Review of Literature

A 1963 study undertaken in Arkansas included a survey of the existing recreational facilities and provided information concerning different types of enterprises operated in that state. The author concluded that accessibility, advertising, and managerial ability were of primary importance in the success of any recreational enterprise. The characteristics of the people, the land, and water resources and the investment capital make the development of rural enterprises a feasible alternative use for these resources in the state [4].

A similar study was conducted in 1964 on the income potential from outdoor recreation enterprises in the unglaciated areas of Southern Ohio. The conclusion of that study was that development of resources for recreation with private capital can be profitable and can provide an excellent alternative use for excess labor or land. It is possible to begin most such operations on a small scale and add to the basic facilities as demand warrants. However, since less than half of the firms in the Ohio study were making any money, it was concluded that recreation did not automatically guarantee success as a profit-making venture [5].

Many studies of the demand, and expected increase in demand, for recreation have been made, or are being made by various governmental agencies. A number of reports have been published concerning the income-producing possibilities of outdoor enterprises and the operation of these enterprises for profit. These reports have been of a general nature and are not concerned with any one particular area [1, 6, 7, 8, 9].

Location of Recreation Enterprises in
State and Area of Study

A majority of the public and private outdoor recreational facilities are concentrated in the Eastern half of Oklahoma (Figure 3). Although schedules were taken from all areas of Oklahoma reporting recreational enterprises, the majority of the schedules were taken in the Eastern half of the state. This area has a natural advantage for recreation in that it has wooded, rolling terrain and an abundance of lakes and clear streams. It has the disadvantages of ticks, chiggers, and high humidity. Although this part of Oklahoma will continue to lead in the development of outdoor recreation in the foreseeable future, there are indications that both private and public recreational developments will expand at an increasing pace in Central and Western Oklahoma [10].

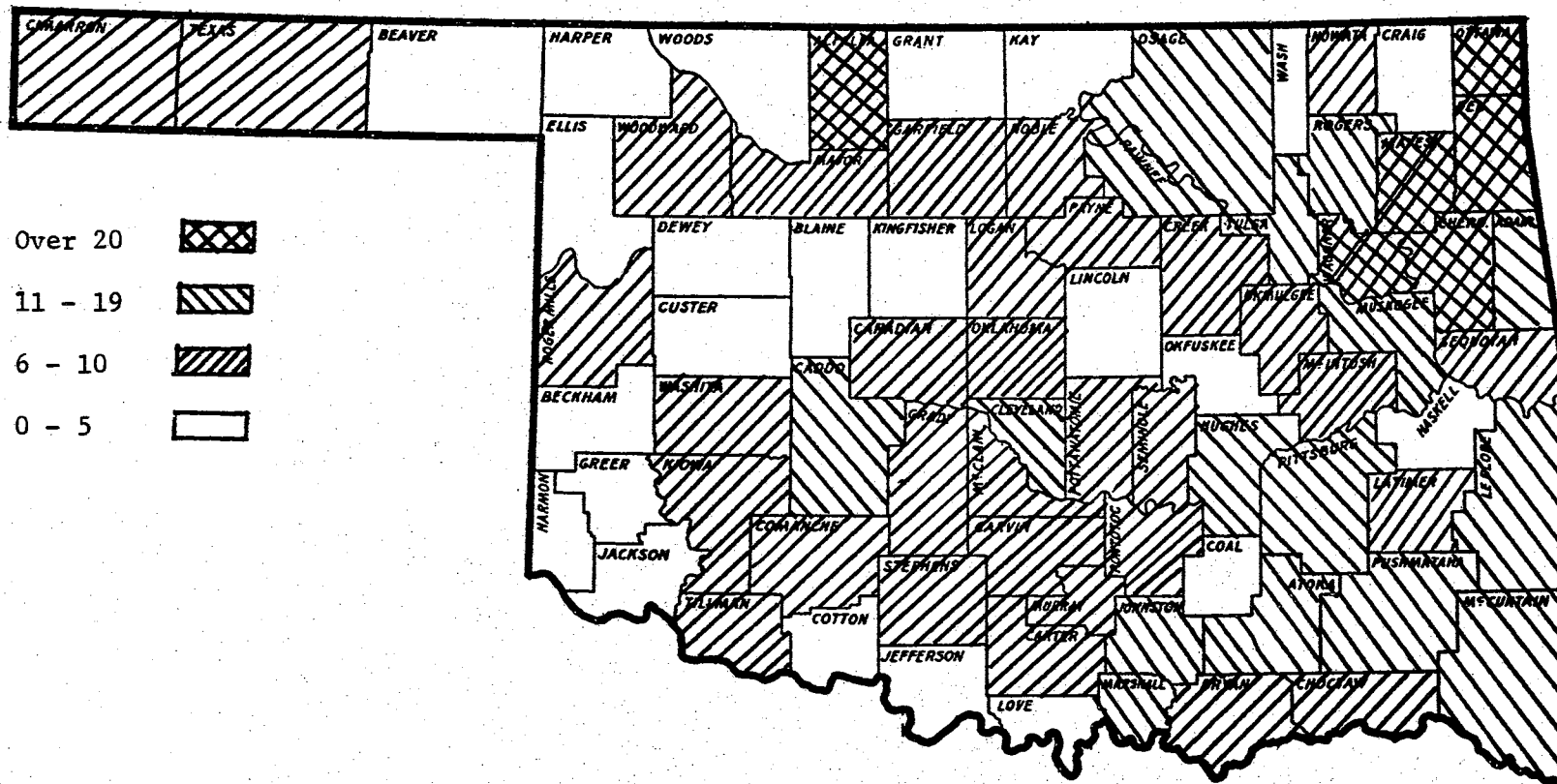


Figure 3. Location of Public and Private Outdoor Recreation Facilities in Oklahoma, by County, as of July 1, 1966.

Source: Soil Conservation Survey of Recreational Facilities

CHAPTER II

GENERAL CHARACTERISTICS OF RECREATIONAL ENTERPRISES

Location and Distance

Most enterprises were located in areas where the major use of land was grazing, with the topography being classified as rolling to hilly. The major attraction for most enterprises was water resources and nearly all activities were on or adjacent to water resources.

All enterprises in the survey were located within 100 miles of a city of over 10,000 population and 91 percent of the enterprises were located within 50 miles of a city of over 50,000 population.

Distance from potential customers was a very important factor. It determined the type of use of the area as well as the amount of use. Areas close to population centers were used primarily for day use and less than a day's use. Activities included picnicking, swimming, horse-back riding, day fishing, sightseeing and just relaxing. Areas farther away were used for weekends and longer periods. Overnight accommodations of some type were available at most of the facilities.

The distance from the population centers should be measured in time rather than miles. Recreationists on short trips of a single day or less usually traveled one hour or less one way. This distance varied from 10 to 50 miles depending upon the condition of the roads and traffic. As the travel time increased to 2 hours or more, demand shifted to

overnight use. Day use decreased rapidly and weekend and holiday use became dominant at sites farther than two hours from population centers. The number of visits per capita also declined rapidly as distance to the recreation area increased.

A few recreational enterprises are able to overcome this population time-distance problem by being located on or near well-traveled roads used by the recreationists, or near other established recreational areas, such as National and State Parks, National forests, lakes, resorts, etc. Location, either near a population center or a well-traveled road, is very important. The enterprise must be on or near a well-traveled highway or else have such a unique operation that recreationists will travel "out-of-way" to visit the site.

Another related factor is access. How easily can people get to the facilities? What condition are the roads in? People hesitate to leave the highway for a trek on a dusty, rough road. If people must leave the well-traveled highways to get to the enterprise, it must have quality recreational facilities with unique characteristics.

Approximately 48 percent of the facilities interviewed were located on, or less than 1 mile from, a paved road. Most operators of day use facilities located more than one-fourth mile from the pavement felt this factor reduced the use of their facilities. Thus, the accessibility of the area in relation to both distance from users and quality of access roads is very important.

Lodging and Eating Facilities

Approximately 80 percent of the recreation enterprises provided facilities for overnight guests. These facilities included rooms in farm homes, cabins and cottages, or camping areas for tents and trailers. Forty percent of the facilities provided adequate lodging with eating accommodations. The average distance to overnight accommodations from areas not providing them was eight miles. The distance ranged up to 10 miles for one hunting enterprise.

Sixty percent of the enterprises did not provide eating facilities. These were predominantly hunting and fishing enterprises. The average distance to eating facilities was 6.6 miles. One fishing lake with camp grounds was located 18 miles from eating accommodations.

Length of Time in Operation and Ownership of the Enterprises

The typical enterprise had been in operation for about eight years. The range was from less than one year to over 50 years. Approximately one half of the enterprises have been established since 1960 and all except two were established by the present management and have been operated continuously.

The enterprises were operated as sole proprietorships in 82 percent of the cases and as partnerships in eight percent of the cases. Ten percent of the enterprises were operated as corporations.

Approximately 60 percent of the operators had had previous experience in some type of recreation enterprise. Thirty-five percent of the operators classified themselves as farmers or ranchers. Operators previously were employed as teachers, oil fielders, lawyers, store owners, and state loan agents. Over 70 percent of the operators lived on the

recreation areas. Operators of some hunting and fishing enterprises lived in nearby towns.

Nearly 40 percent of the operators borrowed money to establish their recreational facilities. Amounts borrowed ranged from \$600 for a fishing enterprise up to \$700,000 for an amusement park. Commercial banks were the most widely used credit source, used by approximately one-third of the borrowers. Other credit sources were Farmers Home Administration, Federal Land Banks, School Land Commission, Bureau of Indian Affairs, Small Business Administration, and commercial credit agencies.

Interest rates ranged from a low of four and one-half percent for a School Land Commission loan to 20 percent for the commercial credit loan. Over half of the borrowers obtained funds at five percent or less.

Reasons for Entering the Recreation Business and Suggestions for Changing the Enterprise

The most common reason given for entering the recreation business was the desire to supplement farm income. Knowledge of other similar enterprises which were profitable was the next most frequent given reason. Forty-three percent of the operators listed as a reason some special locational or resource advantage. Among those were the fee fishing enterprises which were located on PL 566 lakes, goose hunting enterprises located around game refuges, etc.

The most important limitations on profitability of the recreational enterprises were: operations too small, seasonality, not enough customers, high cost of maintenance and labor, and inadequate credit. Over 60 percent of the operators felt their operations were too small and needed to be expanded within the next five years. Approximately 40 percent of the operators were satisfied with the size of their operations

and had no plans for expansion within the next five years. However, in almost all cases improvements in the facilities were being made each year.

Over 65 percent of the operators said they would change the design, layout or construction of the facilities if they were to rebuild. This indicates the need for better planning and better information concerning the establishment of the facilities. Various state and federal agencies had provided technical assistance to several operators in planning construction and operating various types of enterprises. For example, the Soil Conservation Service has planned, and the Agricultural Stabilization and Conservation Board has assisted financially, in the construction of farm ponds. Other agencies or groups mentioned as providing assistance to operations included Oklahoma State University Extension Specialists and County Agents, and personnel working for the Farmer's Home Administration, Bureau of Indian Affairs, and the State Park Department.

Advertising

All operators except two used some form of paid advertising. Most operators used more than one method. The methods most frequently mentioned were "word-of-mouth," outdoor signs, and newspapers (Table III). The greatest number of advertising methods used by any one enterprise operator was six (Table IV). Over two-thirds of the operators used two, three or four advertising methods.

Management Problems

Enterprise operators listed the following management problems:
(1) attraction of patrons; (2) vandalism; (3) weather uncertainty;

TABLE III
 ADVERTISING METHODS USED BY OPERATORS OF RECREATIONAL
 ENTERPRISES IN OKLAHOMA

Method	Number of Times Mentioned
Word of mouth	28
Outdoor signs	21
Newspapers	15
Other ¹	12
Direct mail	8
Radio	3
T. V.	2
None(except word-of-mouth)	2

¹Other methods included brochures, free tickets, hand cards, state maps, state fair booths, personal contact, and national magazines.

TABLE IV
 PERCENTAGE OF OPERATORS USING DIFFERENT METHODS
 OF PAID ADVERTISING

Number of Methods	Percent of Operators
6	3.1
5	9.4
4	21.9
3	21.9
2	25.0
1	12.5
0	6.3
	<u>100.0</u>

(4) trespassing; (5) getting and retaining good help; (6) trash disposal; and (7) fire danger. Another frequently mentioned problem was the difficulty of obtaining, and high cost of, adequate liability coverage. This was particularly a problem in enterprises using horses.

Technical problems mentioned were: (1) tick control, especially in Eastern Oklahoma; (2) moss control in fishing lakes; and (3) muddy water in swimming and camping areas. A very important problem for minnow and fish raising enterprises was feed and ration formulation and fish diseases.

Complementary Aspects

This study was primarily limited to recreational enterprises operated as part of a farm operation. Because of this many recreation enterprises such as boat marinas, cabins, cottages around lakes, and other non-farm based recreational enterprises were not included in this survey. Any future study should survey all types of outdoor recreational enterprises.

In most instances the recreational enterprises were operated to supplement the farm income. Over 75 percent of the operators still obtain the primary part of their income from the farming operations. Over 80 percent of the operators said the recreational activity did not adversely affect their farming incomes, but did increase their total income. Almost two-thirds of the enterprises surveyed had annual sales of agricultural products of less than \$5,000 (Table V). Some of the recreation enterprise operators were receiving non-farm income. However, this information was not obtained in the survey.

Among the enterprises operating on farms, the average size of the farms was 572.1 acres with a range of from 120 to 3640 acres.

Of the enterprises interviewed 45 percent of the operators owed money for the purchase or expansion of their farms or recreational enterprises. Of these, 32 percent mortgaged their farms to establish

TABLE V
GROSS AGRICULTURAL SALES FROM FARMS AND PERCENT OF FARMS
SURVEYED IN EACH SALES CATEGORY

Amount of Gross Agricultural Sales Dollars	Percent of Farms
Less than 50	3.0
50-2,499	30.3
2,500-4,999	30.3
5,000-9,999	15.2
10,000-19,999	9.1
20,000-39,999	3.0
40,000 and over	9.1
Total	100.0

TABLE VI
OPERATOR'S APPRAISED VALUE OF FARMS, INCLUDING
RECREATIONAL AREA

Value of Farm Dollars	Percent of Farms
Less than 5,000	0
5,000-9,999	0
10,000-24,999	25.8
25,000-49,999	25.8
50,000-99,999	16.1
Over 100,000	32.3
Total	100.0

their recreational enterprises. The average amount borrowed was \$19,062.50. It ranged from \$600 for a fee fishing-swimming enterprise to \$49,000 for a vacation camp.

As indicated in Table VI, about one-fourth of the farms were valued between \$10,000 and \$24,999 and one-fourth were appraised between

\$25,000 and \$49,999. However, nearly one-third of the farm operators with recreational enterprises estimated the value of their farms at over \$100,000.

CHAPTER III

ANALYSIS OF RECREATIONAL ENTERPRISES BY TYPE

Fishing Lakes

Most of the fishing lakes in this study were upstream detention structures¹ built by the Soil Conservation Service. The lakes provided an opportunity for a supplemental income so fees for fishing were initiated. In most cases the operator had invested very little capital in the enterprise. Usually these enterprises were not managed very intensively and therefore the receipts were not very great. In most cases they were operated on a "drop your money in the box" basis with no supervision.

The investment, operating costs, and income for a fee fishing enterprise on a PL 566 lake are presented in Table VII. This budget would be typical of most of the less intensively managed fishing enterprises. Such an enterprise provides a good source of supplemental income, but it would be very difficult to enlarge the operation so as to provide the major source of income.

Fishing lakes other than the PL 566 type lakes were usually more highly developed and more intensively managed. As a result, receipts were higher. Budget information for a more highly developed lake is

¹These lakes were formed behind structures built either under the PL 566 or the Washita River Basin (Flood Control Act of 1944) programs.

TABLE VII
 TYPICAL COSTS AND RETURNS FOR A FISHING
 ENTERPRISE ON PL. 566 LAKE IN OKLAHOMA

	Dollars	Dollars
<u>Fixed Investment</u>		
25 acres of land @ \$100/acre	2,500	
Clearing and developing	150	
Signs and money box	<u>75</u>	
		2,725
<u>Annual Income</u>		
1270 people @ \$.75 per day for fishing ^a		952
<u>Annual Operating Costs</u>		
Brush log and grounds upkeep	65	
Labor for clean up	<u>40</u>	
		<u>105</u>
		847
Interest on investment @ 5%		<u>136</u>
Return to Labor and Management		711

^a Owner has sign and collection box beside gate as enter property:
 "Fee Fishing-\$.75 per person per day."

presented in Table VIII. More facilities are offered and thus it requires more labor and management. In almost all instances the fishing lakes were not used to capacity. That is, more recreationists easily could have been accommodated, particularly during the "slack" or off seasons. All enterprise operators reported that a major problem was not enough customers.

A high percentage of the customers of a fee fishing lake are from the immediate surrounding area. Operators reported that very few of their patrons were from over 40 miles away. The exception of this was in the case of a large lake which had a number of different facilities available.

Most of the fishing lakes were located in the Central, South Central, and Southwest part of the state. The most used, and therefore the most profitable lakes, were those located very close to large population centers such as Oklahoma City, Tulsa, and Lawton.

The average capital investment, excluding land, for the fishing enterprises was \$3,516.66 with a range of from \$0 to \$17,000. For the PL 566 lakes, the average was \$258.33. The size of the lakes ranged from 4 to 600 surface acres.

The average annual receipts from the PL 566 lakes were \$467 while the average receipts for the more highly developed lakes were \$4,570 with a range of from \$600 to \$10,550. The number of customers necessary for a typical fishing enterprise to yield a return of \$3,500 to labor and management is presented in Table IX. In most cases the fee fishing lake provides a good opportunity for a supplemental income, but it is very unlikely that it could serve as a sole source of income unless it

TABLE VIII
TYPICAL COSTS AND RETURNS FOR
A DEVELOPED FISHING LAKE

	Dollars	Dollars
<u>Fixed Investment</u>		
Land Improvements	500	
Buildings and Permanent Structures	5,500	
Operating Equipment	1,500	
Other	<u>500</u>	
		8,000
<u>Annual Income</u>		
Fishing	1,800	
Boating	500	
Snack Bar, Tackle, etc.	<u>1,000</u>	
		3,300
<u>Annual Operating Costs</u>		
Repairs	225	
Supplies	650	
Utilities	<u>125</u>	
		<u>1,000</u>
		2,300
Interest on Investment @ 5%		<u>400</u>
Return to Land, Labor and Management		1,900

TABLE IX
 COSTS AND RETURNS FOR A FISHING ENTERPRISE TO YIELD A
 SATISFACTORY RETURN TO LAND, LABOR, AND MANAGEMENT

	Dollars	Dollars
<u>Fixed Investment</u>		
30 acre pond @ 100 per acre ^a	3,000	
Permanent Improvement	<u>500</u>	
		3,500
<u>Annual Income</u>		
January-April and October-December- 1,000 @ .75	750	
April-September		
26 weeks - week days (Monday- Thursday)		
26 X 4 = 104 average 14 per day 1500 @ .75	1,125	
26 weeks - weekends (Friday- Sunday)		
26 X 3 = 78 average 45 per day 3500 @ .75	<u>2,625</u>	
		4,500
<u>Annual Operating Costs</u>		
Liability Insurance	150	
Hired Labor for clean-up and to operate the facilities when the owner is gone	500	
Miscellaneous Expenses	<u>50</u>	
		<u>700</u>
		3,800
Interest on Investment @ 5%		<u>175</u>
Return to Land, Labor, and Management		<u>3,625</u>

^aThis is cost of constructing the dam for the pond.

was highly developed and had an excellent location with respect to a population center.

Youth Camps

Privately owned summer youth camps appear to be a growing industry in Oklahoma. It is also a relatively new industry in that most camps interviewed had been in operation less than four years. Total enrollment for the camps has been increasing steadily each year.

The camps were located on farms ranging from 200 to 600 acres in size. The topography was rolling to hilly and the major use of the land was for grazing purposes. In most cases the camps did not decrease the farm receipts appreciably although in some cases the camp's requirement for labor took the operator away from the farming operation a great deal. The operators reported that in most cases all the land was used by the camps.

The average investment, excluding land was \$13,336 with a range of from \$7,850 to \$25,700. Most of their investment was in buildings and other permanent structures. From 10 to 25 percent of the total investment was for operating equipment, horses, etc.

The investment and operating costs for a typical youth ranch are presented in Table X. Food and supplies accounted for a large percentage of the expenses. Food costs were approximately \$11 per child per week. Although insurance costs were only \$1.50 per child per week in this example, insurance rates vary by area, number of children insured and types of activities offered. Advertising and other variable costs were \$25 per child per week.

TABLE X
TYPICAL COSTS AND RETURNS
FOR A YOUTH RANCH

	Dollars	Dollars
<u>Investment</u>		
Bunk House (Converted Dairy Barn)	1,000	
Bunk House and Shower	1,200	
Tack House and Corral	500	
Mess Hall	400	
Trading Post (Building)	500	
16 Horses @ 125	2,000	
Saddles and Equipment	1,000	
Bunks and Mattresses	300	
Buggy and Wagons	<u>950</u>	
		7,850
<u>Annual Income</u>		
40 @ 120 for 2 weeks	4,800	
10 @ 110 for 2 weeks ^a	<u>1,100</u>	
		5,900
<u>Annual Operating Costs</u>		
Advertising	700	
Fuel and Lights	105	
Repairs	200	
Insurance	150	
Food	1,100	
Labor	330	
Horse Feed	<u>1,100</u>	
		<u>3,685</u>
		2,215
Interest on Investment @ 5%		<u>395</u>
Return to Land, Labor and Management		1,820

^aFor families with two or more children enrolled.

Annual receipts ranged from \$2,300 to \$25,360. The fees ranged from \$45 to \$100 per child per week. Discounts were given in some cases for families with two or more children at the camp. In most cases the visitor stayed for two or more weeks. In a few cases they stayed the full eight to ten weeks.

Enrollment needed to obtain an annual income of \$5,000 is shown in Table XI. To handle the 264 participants required to yield this income, the fixed investment would likely need to be expanded. Food and supplies accounted for a large percentage of the expenses. The next highest expense listed was labor followed by advertising.

Advertising or the attraction of patrons is a particularly important factor in determining the success or failure of this type of enterprise. This was listed as the major problem for approximately one half of the enterprises, while for the others it was not mentioned as a problem. Two enterprises said they had turned applicants down because they had all they could accommodate, and yet others with practically the same location and facilities had so few patrons they were operating at a loss. In most cases the patrons did not come from the area in which the enterprise was located. They usually came from large cities or out of state.

The next most frequently mentioned problem was "getting good help." This seemed to be the biggest problem for the larger youth camp enterprises.

Most of the camps operated on the format of a dude ranch. In addition to horseback riding, activities usually included swimming, fishing, trail rides, and overnight camp-outs. In most cases, the activities were planned ahead and the camp operated on a schedule.

TABLE XI
 COSTS AND RETURNS FOR A SUMMER CAMP
 FOR BOYS AND GIRLS

	Dollars	Dollars
<u>Investment</u>		
Boys' Bunk House	1,500	
Girls' Bunk House	3,500	
Shower House	<u>200</u>	
		5,200
Horses-25 @ 125	3,125	
Saddles and Equipment-25 @ 50	1,250	
25 Bunks and Bedding	<u>150</u>	
		<u>4,525</u>
		9,725
<u>Annual Income</u>		
264 @ 50/week		13,200
<u>Annual Operating Costs</u>		
Food	2,500	
Insurance	900	
Telephone, Fuel and Lights	220	
Horse Feed	1,700	
Labor (except family)	2,000	
Repair and Maintenance	<u>400</u>	
		<u>7,720</u>
		5,480
Interest on Investment @ 5%		<u>480</u>
Return to Land, Labor and Management		5,000

Minnow and Fish Farms

Fish and minnow production for the wholesale market has very good possibilities in Oklahoma. The demand for minnows is very great with the large amount of fishing water available in the state. Yet because of the technical problems, there are very few successful enterprises in operation.

The average capital investment of this type of enterprise was \$7,925. The range was from \$5,300 to \$9,900. In addition the operators all had a locational advantage of having adequate usable water available.

Many problems were listed as very important by the operator of the enterprise. All except one of the operators reported that in at least one year his net income from the enterprise was negative.

The main problem listed was feed or ration formulation. Everyone was having problems of some type with the feeding of the fish. Other technical problems such as disease, which killed whole ponds of minnows overnight, and water temperature caused much concern.

Weather uncertainty and predator animals also caused problems. All operators except one said they were operating too small an enterprise and had to get larger. All minnow enterprise operators stated they obtained the major source of income from sources other than the minnow operation.

Private Hunting Areas

All hunting areas except one were operated as a supplemental source of income. They provided for the harvest of wild game in the fall and winter months and did not interfere with the operation of the farm enterprise.

The private hunting enterprises interviewed in this study were primarily based on quail hunting. The goose hunting operations all had a locational advantage in that they were located adjacent to either the Great Salt Plains or Tishomingo National Wildlife Refuges. These refuges attracted the wild game to the areas. The quail hunting enterprises were located in the Central and Western part of the state in predominantly ranching areas.

The enterprise operators usually leased their land to hunting clubs for the duration of the hunting season. However, a few operators maintained day hunting enterprises where they admitted individuals.

Fees charged ranged from \$5 to \$10 per person per day or \$50 to \$75 per person per season in those enterprises admitting individuals. Hunting groups pay from \$800 to \$2,000 per year for hunting leases and it is their responsibility to limit use and protect the area.

The total receipts from the hunting enterprises ranged from \$185 to \$6,400 per year. In most cases the enterprises were yielding a substantial return to land, labor and management.

Swimming Areas

Swimming facilities were usually operated near a town. The facilities depended primarily on local people for most of their business. Almost all business was repeat business. The facilities were located on either PL 566 or other lakes or streams. Smaller areas were developed for swimming with beach and facilities. These operations were usually located less than two miles from the pavement. All operators located off paved roads stated that the condition of the road adversely affected their volume of business.

All swimming areas had picnicking and campground areas available and permitted fishing in the surrounding area. Facilities included a snack bar or refreshment center in the swimming area.

Fixed investment except land ranged from \$870 to \$2,450. This investment consisted primarily of dredging the swimming area, preparation of a sand beach, and construction of the concession stand and sanitation facilities. Most of the facilities had been improved each year by the operator and additional facilities were added as they were needed.

A typical budget for a swimming enterprise and the number of participants necessary to gain a return of \$3,000 and \$5,000 to Land, Labor and Management is presented in Table XII. Attraction of this many customers may be difficult in many areas. Information at the bottom of the Table XII indicates the large number of customers required to earn a \$5,000 annual return to land, labor and management.

Vacation Farm, Campgrounds and Related Enterprises

Investment, return and expenses for an established vacation farm (guest ranch) are presented in Table XIII. A vacation farm enterprise could be established with much less investment than is shown in the budget and could provide an excellent source of supplemental income. It could be operated on a small scale with investment and expenses kept very small.

Weather uncertainty was the main management problem mentioned. This was especially a problem where the facilities were located on a stream. Other management problems were trespassing and vandalism.

TABLE XII

COSTS AND RETURNS FOR A SWIMMING ENTERPRISE

	Dollars	Dollars
<u>Investment</u>		
Land Improvement	500	
Concession Stand and Dressing Rooms	200	
Tables	80	
Lights and Materials	25	
Diving Platform	97	
Pier (Wood Ramp)	45	
Clothes Baskets (50)	28	
Ice Box	10	
Sign Materials	<u>15</u>	
		1,000
<u>Annual Income</u>		
Swimming 12,220 @ .25	3,055	
Fishing 1,500 @ .25	375	
Suit Rental 100 @ .25	25	
Tube Rental 1,000 @ .15	<u>150</u>	
		3,605
<u>Annual Operating Costs</u>		
Lights	45	
Repairs 3% investment	30	
Lifeguard	480	
Interest @ 5% Investment	50	
Operating Expense and Interest		<u>605</u>
Return to Land, Labor and Management ^a		3,000

TABLE XII CONTINUED

	Dollars	Dollars
<u>Income</u>		
Swimming 18,000 @ .25	4,500	
Fishing 3,500 @ .25	825	
Tube Rental 1,200 @ .15	180	
Suit Rental 200 @ .25	<u>50</u>	
		5,605
Annual Operating Costs ^a		<u>605</u>
Return to Land, Labor and Management ^a		5,000

For a \$5,000 return the operator must have: 400 swimmers each Saturday
600 swimmers each Sunday
500 through each week from
June 1 to September 1

^aNote: None of the swimming enterprises surveyed had liability insurance; thus no premium rates were available for this type of enterprises. The research recommends that any potential enterprise operator consider the purchase of adequate liability insurance. The premium would be an annual operating cost and the return should be adjusted accordingly.

TABLE XIII
 COSTS AND RETURNS FOR A VACATION FARM (GUEST
 RANCH) AND WEEKLY SQUARE DANCE ENTERPRISE

	Dollars	Dollars
<u>Investment</u>		
Bunk House	5,000	
Dance Floor	3,000	
Furniture and Plumbing	1,000	
Six Tables	<u>50</u>	
		9,500
10 Horses @ 200	2,000	
Saddles and Equipment 18 @ 75	1,350	
Wagon and Buggy	<u>85</u>	
		<u>3,435</u>
		12,935
<u>Annual Income</u>		
Guest @ 70 (Adult/week)		
30 (Children/week)	3,000	
Dance @ 1.00	2,640	
Camping 1.00/car and Hunting 5/gun	<u>60</u>	
		5,700
<u>Annual Expenses</u>		
Advertising	500	
Telephone	25	
Supplies	1,000	
Fuel and Light	200	
Insurance	<u>200</u>	
		<u>1,875</u>
		3,825
Interest on Investment @ 5%		<u>646</u>
Return to Land, Labor and Management		3,179

Receipts varied from year to year and between different operators. The average total receipts were \$2,683 per year.

Approximate investment expenses and expected returns for a campground are shown in Table XIV. Location is of particular importance for the operation of a successful camping facility. The facility must be readily accessible from the highway and easily located. Facilities must be available to accommodate all types of camping units also.

The costs and returns for a camping and boat launching enterprise are presented in Table XV. This budget would be for an enterprise located near a lake or stream, and would provide areas for people to camp for longer periods of time. The returns are presented for the summer season and also for weekends.

The investment and number of participants needed for a return of \$5,000 to a float trip and resort camp enterprise are presented in Table XVI. This size operation requires a large investment and would require intensive management. A large volume of business is necessary to provide the indicated return. It would require the owner's full attention and would need to provide the primary source of income.

Implications of Enterprise Budgets

The budgets in this chapter provide costs and returns data for various types of recreational enterprises. These data and other information presented in this study may enable prospective operators to gain an idea of the problems and conditions they would likely encounter if they enter the recreational business. Although the income (receipts) data for some enterprises may not be completely

TABLE XIV
TYPICAL COSTS AND RETURNS FOR A
CAMPGROUND ENTERPRISE

	Dollars	Dollars
<u>Fixed Investment</u>		
Land (10 acres @ 450 per acre)	4,500	
Land Improvements	1,400	
Buildings (toilets, shelters)	3,000	
Operating Equipment	<u>1,200</u>	
		10,100
<u>Annual Income</u>		
Camping fees (1800 campers @ 1.50)		2,700
<u>Annual Expenses</u>		
Advertising	130	
Utilities	60	
Repairs	280	
Taxes	60	
Insurance	125	
Miscellaneous	<u>100</u>	
		<u>755</u>
		1,945
Interest on Investment @ 5%		<u>505</u>
Return to Labor and Management		1,440

TABLE XV
 COSTS AND RETURNS FOR A CAMPING
 AND BOAT LAUNCHING ENTERPRISE

	Dollars	Dollars
<u>Fixed Investment</u>		
(Boat ramp, Showers, Toilets, Water Supply, Picnic Tables, Office)		10,000
<u>Annual Income</u>		
Camping (off season)		
500 @ 1.50	750	
Memorial Day to Labor Day (weekends)		
600 @ 1.50	900	
Memorial Day to Labor Day (weekdays)		
600 @ 1.50	900	
Boat Launch		
1000 @ 1.00	<u>1,000</u>	
		3,550
<u>Annual Expenses</u>		
Hired Labor and Repairs	500	
Insurance	100	
Advertising and Publicity	200	
Utilities	<u>300</u>	
		<u>1,100</u>
		2,450
Return on Investment @ 5%		<u>500</u>
Return to Land, Labor and Management		1,950

TABLE XVI
 COSTS AND RETURNS FOR A FLOAT TRIP
 AND RESORT CAMP

	Dollars	Dollars
<u>Fixed Investment</u>		
Cabins, Motel	42,800	
Equipment for Motel	7,000	
13 Canoes @ 100	1,300	
17 Boats @ 75	1,275	
3 Boat Trailers	175	
3 Pickups	3,500	
School Bus and Station Wagon	<u>850</u>	
		59,900
<u>Annual Income</u>		
165 campers @ 1.00 car	165	
1520 float trips @ 5.00	7,600	
540 float trips @ 8.00	4,320	
320 motel rental @ 8.00	2,560	
200 motel rental @ 6.00	1,200	
80 motel rental @ 10.00	<u>800</u>	
		16,645
<u>Annual Operating Expenses</u>		
Advertising	896	
Fuel and Lights	2,400	
Telephone	240	
Repairs	1,800	
Insurance	1,200	
Hired Labor	1,500	
Licenses	110	
Taxes	<u>504</u>	
		<u>8,650</u>
		7,995
Interest on Investment @ 5%		<u>2,995</u>
<u>Return to Land, Labor and Management</u>		<u>5,000</u>

accurate, the data on costs of developing and operating the enterprises are realistic. Receipts will vary depending on number of "customers" anyway.

Minnow and fish farms appear to be the most profitable enterprises. However, because of the uncertainty of receipts caused by the many technical problems there were only a few successful operations. Fee fishing enterprises require the least amount of investment of the different types of enterprises, and they provide an excellent type of supplemental income. However, they usually would not provide the major source of family income.

CHAPTER IV

MANAGEMENT PROBLEMS AND CONSIDERATIONS

Entry into recreational enterprises is not the way to a shorter work week. In nearly all the enterprises interviewed the working day exceeded eight hours in length. Over ninety-five percent of the recreational facilities were open for business seven days a week during the season.

Seasonality of Use

The seasonality of use of the facilities caused many problems for most operators. In most cases the facilities were used to capacity for short periods of time during the season and then were drastically underused the rest of the year. The distribution of receipts by quarters is presented in Table XVII.

This seasonality of use adds to operational difficulties of finding and keeping adequate, qualified help for some types of recreation facilities. As a result, some farm families devoted more time than they had anticipated to the enterprise. In addition to seasonality of demand, there is concentration of demand on weekends, (Table XVIII). Many operators have more patrons on Saturday and Sundays than during the five weekdays. This causes a high cost per day of use. Advertising and promotional efforts for specific types of enterprises need to be aimed at distributing the receipts throughout the week. Extra promotional

TABLE XVII

AVERAGE PROPORTION OF RECEIPTS RECEIVED IN EACH QUARTER
OF THE YEAR, BY TYPE OF ENTERPRISE

Enterprise	January- March	April- June	July- September	October- December	Total
Percent					
Fishing Lake	10	49	29	12	100
Bait Farm	5	70	20	5	100
Private Campground	5	40	50	5	100
Riding Stable	0	70	25	5	100
Dude Ranch	10	20	55	15	100
Private Hunting Area	0	0	0	100	100
Trout Farm	15	40	30	15	100
Summer Camp	0	38	62	0	100
Float Trip	5	40	50	5	100
Swimming	0	20	80	0	100

TABLE XVIII

DISTRIBUTION OF ANNUAL RECEIPTS BETWEEN WEEKDAYS AND WEEKENDS,
BY TYPE OF ENTERPRISE

Enterprise	Weekdays	Weekends	Total
Percent			
Fishing Lakes	65	35	100
Bait Farms	60	40	100
Private Campgrounds	20	80	100
Riding Stables	30	70	100
Dude Ranch		Not Applicable	
Private Hunting Area	27	73	100
Trout Farm	20	80	100
Summer Youth Camp		Not Applicable	
Float Trip	65	35	100
Swimming	27	73	100

activity may be needed to extend the season for an additional period of time. This would distribute the use of the facilities over a longer period of time and reduce the cost per day of use.

The operator of the enterprise should be aware of the source of receipts to the enterprise to arrange his facilities to better accommodate the recreationist. Many enterprises such as Dude Ranges and Trout Farms obtain most of their receipts from family groups so they must provide facilities for families. Youth camps and hunting areas need to provide primarily for individuals. The distribution of receipts by source for the different types of enterprises is presented in Table XIX.

TABLE XIX
DISTRIBUTION OF ANNUAL RECEIPTS BY SOURCE, BY TYPE
OF ENTERPRISE

Enterprise	Individuals	Families	Organized groups
	Percent		
Fishing Lake	69	30	1
Bait Farm	23	2	75*
Private Campground	10	68	22
Riding Stable	5	20	75
Dude Ranch	10	85	5
Private Hunting Area	98	2	0
Trout Farm	30	70	0
Summer Youth Camp	100	0	0
Float Trip	15	65	20
Swimming	40	55	5

*Wholesale dealers

Advertising

Many of the problems mentioned by the operators were related to advertising. Some complained about the high cost of advertising. Others complained that little benefit was derived from advertising because it had not been utilized effectively. Still others traced their small volume of business to not enough advertising.

The enterprise operator should initiate an advertising and publicity campaign. He can capitalize on some local free newspaper feature articles. Advertising on radio and television is effective in many instances but it is very expensive. Handbills, folders, postcards and other printed material can be distributed through nearby restaurants, motels, and service stations, and chambers of commerce, generally with only a nominal printing cost involved.

There are other opportunities for free advertising such as in state and regional farm organization news magazines. Directional road signs are a "must" if the recreational area is located off the main highway. Word-of-mouth advertising and repeat business by satisfied customers are still the most effective ways to develop the financial potential of any recreational enterprise.

Sanitation

Sanitation is an important factor in any recreational enterprise. Trash and litter congregate wherever people gather. Even a "self-service" (drop money in box) fish pond operation requires periodic clean-up of candy and cigarette wrappers, beer cans, and pop bottles. Broken glass is also a hazardous problem. Raw garbage and food leftovers by picnickers and campers require continuous clean-up and disposal.

An adequate supply of good drinking water is also a must for most types of recreation enterprises, particularly for camping and picnic sites. This may be a crucial problem in some parts of the state. An attractive site may be selected for development of a recreational facility, only to discover that water is not available or that it would be prohibitively expensive to develop a water supply at that site.

Most urbanized customers also expect flush-type plumbing. These facilities need to be cleaned and deodorized every day, and during days of heavy use (such as holidays), the toilets may have to be cleaned two or three times.

Vandalism

Vandalism is another problem at many recreational sites, particularly if the site is not near the farm home or under 24-hour supervision. A significant majority of recreationists do not deliberately destroy property, cut down trees, burn picnic tables, or turn over trash barrels and roll them into the lake. A few may accidentally back over a picnic table, trash barrel or grill, if barriers are not constructed around the parking area to prevent them from driving up into the picnic area.

However a few "so-called recreationists" are enough to give headaches to the most diplomatic easy-going recreation enterprise operator. Repairing and/or replacing items damaged by these vandals entail costs which must be taken into consideration in the budgets. It also must be a point of "reconciliation" for anyone thinking about entering the recreation business.

Other Problems

Fleas, ticks, and chiggers are generally a nuisance. Snakes in the camping or recreational area are not conducive to repeat business. Therefore, time and money will be involved in spraying the area to control these "pests". Garbage and trash cans must be emptied often and cleaned out periodically not only to control flies, but to lessen the attractiveness of such items to skunks and other night prowling animals.

The recreation enterprise operator must develop a stage personality if he does not already have one. He must greet "customers" courteously, smile, listen to their problems, be sincere, and always maintain self-control. This latter is particularly important when confronted with family feuds, drinking parties, and other "rowdy" groups. It also helps when confronted with picking up beer cans, broken glass, and other litter or repairing a picnic table from which boards have been used for firewood!

Many farmers are not accustomed to meeting the public, and certainly not an urban-oriented public. If the farm family plans to develop a recreation enterprise in conjunction with their farm operation, they must be willing to give up some privacy and must be willing to accommodate all kinds and types of people.

There are no private recreation enterprises when it comes to charging admission. The operator cannot discriminate in his selection of customers. If any recreationist pays a fee to use the facility, and does not create a disturbance, then he has incurred the status of an invitee and incurs rights and obligations of that category of recreationist.

Good Records Are a Must

The enterprise operator must keep complete and accurate records on fixed investment costs, as well as variable expenses such as hired labor, light and phone bills, gas for boat motors, etc. Shared items on the farm, such as the pick-up truck, and tractor and gas, which are used in the recreation enterprise should be proportionately charged against the recreation operation. This is necessary for the operator to know if his enterprise is breaking even. Depreciation tables should be established for capital investment items such as shower stalls, bath change

houses, bunkhouses, boat storage houses, boat ramps, boats and motors. If cigarettes and beer are sold, licenses are required. Income receipts are needed for income tax purposes and for paying the State sales tax.

Anyone considering the development and operation of a recreational enterprise should work out a complete budget for the enterprise listing all costs, investments and returns. If the enterprise is to be operated as part of an existing farm operation, then the operator should work out a partial budget for the enterprise. An example of a partial budget for an enterprise is presented in Table XX. All changes should be included in a partial budget including increases in labor use and decrease in returns from the existing operation due to the demands for the recreational enterprise.

Legal Obligations in Operating Farm Recreation Enterprises

An individual's rights, duties, and exemptions are defined by federal and state statutes. The courts are given the task of interpreting these laws and applying them to specific situations. In litigations, the decisions of the court are based on all the surrounding facts of the case. Therefore, past cases, rules and examples can be taken only in a general nature. The typical farm operator is not aware of the legal questions that may be involved in the planning of a recreational enterprise. Therefore, competent legal advice from an attorney is a necessary part of planning for an enterprise.

The major liability of the operator of a recreation enterprise is in the area of tort and contract. A tort is a wrong that gives rise to civil course of action. A property owner's rights and duties depend upon the methods of obtaining entrance to his property and the purpose

TABLE XX

EXAMPLE OF A PARTIAL BUDGET FOR A RECREATION ENTERPRISE
IN CONJUNCTION WITH AN EXISTING FARM OPERATION

Increased Costs

Interest on investment (return on own money or interest on borrowed capital)

Repair and maintenance on permanent improvements

Additional hired labor

Advertising

Liability insurance

Hazard insurance

Taxes

Inventory of goods and services, including those for resale

Reduced Returns

Loss of crop or livestock revenue, if any, due to reduced size of enterprise, lack of management time, labor, etc.

Increased Returns

Estimated number of recreationists by type or activity by fee for that activity.

Estimated bait sales

Estimated concession operation sales (food, cigarettes, drinks, etc.)

Reduced Costs

Reduction in crop and livestock production costs, if any

of entering the recreation area. A person entering upon private property may be classified as an invitee, licensee, or a trespasser.

An invitee enters the land with the owner's express permission and for the owner's benefit. In most cases an invitee pays a fee to enter. Examples are charging a fee for fishing in a farm pond, or for camping overnight beside the pond.

A licensee enters the land for his own purposes or benefits with the express or implied consent of the owner. A licensee does not pay a fee to enter. An example is when the property owner grants permission to a person who wishes to cross his land.

A trespasser enters the land without the owner's permission. The property owner or renter has the right to control the access to his land. He may exclude or allow people to enter at his own will.

A trespasser and a licensee may be evicted at the owner's discretion. An invitee may not be removed at the discretion of the owner except for just cause. Negligence or disorderly conduct on the invitee's part would be a just cause.

The 1965 Oklahoma Legislature passed a law effective June 30, 1965, amending Title 76, Oklahoma Statutes, by adding Section 10-15. These amendments define the rights and liabilities of land owners in the area of torts.

Section 10 defines: "land", "owner", "recreational purposes" and "charge". In this Act land means land used for farming or ranching activities, woods, water, waterways, private ways, and buildings, structures, and machinery and equipment attached to this land or standing on the land. An owner is the person who is a possessor of a fee interest, a tenant, lessee, occupant, or person in control of the premises.

Recreational purposes are cited as being any one of a combination of the following: hunting, fishing, swimming, boating, camping, picnicking, hiking, pleasure driving, nature study, water skiing, winter sports, and viewing or enjoying historical, archeological, scenic, or scientific sites. A charge means admission price or fee asked in return for permission to enter upon the land.

Section 11 and 14 cover the duties of the owner of such recreational property. An owner of land used primarily for farming or ranching activities has no duty to keep the premises safe for entry or use by others for recreational purposes or to give warning of any danger that might exist with these exceptions. The operator or owner of the land is held liable for any willful or malicious failure to warn people or guard against a dangerous condition. Also, the operator is liable for any injury suffered in cases where he charges persons to enter the land (except land that is leased to the State or any of its subdivisions).

The use of admission fees brings up some pertinent questions. Wildlife as defined in the Oklahoma Statutes means "all wild birds, mammals, fish and other wild animals." Wildlife is public property and all citizens have a right to hunt or fish for these animals [11]. Title 20, Section 513 states that any resident of the State of Oklahoma with a current Oklahoma fishing license may fish in any lake in excess of ten acres without charge, if at least 50 percent of the funds for building the lake were provided by Federal or State Agency. In situations such as this, the landowner may charge fees for crossing his property to obtain access to the lake if the lake is completely surrounded by his property.

In addition to this restriction, Title 68, Section 1251 C states that the operator must charge a 2 percent sales tax on dues and fees to clubs, and the sale of tickets or admissions, or charges for the privilege of access to places of amusement, athletic, entertainment, recreational events, or facilities [12]. These regulations may present some interesting legal problems in the future. If the recreation enterprise operator wants to be certain he is not violating these statutes, he should comply with the intent of the law.

The owner or operator must also be aware of the public health laws concerning public bathing houses and swimming facilities [13]. Public bathing areas are any wading or swimming pools under five acres in surface area. Whether a designated swimming area in a larger lake would be under the sanitary restriction is up to the courts to decide.

Another facet of the law that could lead to problems is the doctrine of attractive nuisance. Attractive nuisance situations involve young children who trespass on another's property to play with something that attracts them. If the child is injured, the owner may be liable for these injuries.

Most of the Oklahoma cases show the court's strictness in this area of the law. Most of the decisions have been for the land owner or the business man. However, the court looks at several factors in deciding the negligence of the owner, and in many cases it may go either way.

Various methods of protection are available to farmers operating recreational enterprises. Liability insurance will help protect the owner against damages arising from injuries through the use of these

facilities. Many different policies are available and some may include coverage where fees are charged for entrance [14].

One of the main policies to cover the legal liability of the farmer is the owner, landlord, and tenant's policy. This policy covers various commercial recreation enterprises and may include farms. Insurance rates for this policy vary by the type of enterprise and from state to state. The rates are usually stated per \$100 of receipts subject to a minimum annual premium. Because of the nature of activities involved, ratings are usually based on the particular enterprise after studying the amount of risk involved. An example of the insurance premium for a typical recreation enterprise in Oklahoma is presented in Table XXI.

A farmer interested in developing a recreational enterprise on his farm should check with his local insurance agent to see what types of policies are available. Ratings are based usually on the particular enterprise after studying the amount of risk involved. The best insurance and the safest method of operation is to get competent legal advice and operate under the terms of the various laws covering such activities.

TABLE XXI

INSURANCE PREMIUM FOR A TYPICAL RECREATIONAL ENTERPRISE

Activities

Fishing, boating (three canoes and three rowboats), picnicking, biking, and bird-watching. No outboard motors.

Size of Operation

200 acres, including 20 acres of recreational area with pond, woods, picnic tables, and trails. Residence occupied only by farm family.

Average of 200 guests on weekends for four summer months (17 weeks). Charge 75 cents per adult (over 12); half the guests are adults. Annual receipts, \$1,275 (or $0.75 \times 100 \times 17$).

<u>Cost of Liability Insurance (50/100/5)</u>	<u>Dollars</u>
Farm residence and 180 acres of farmland	8.61
Recreational area, 19 acres including pond but excluding picnic grounds ^a	2.80
Canoes and rowboats (6)	3.78
Picnic grounds, 1 acre	<u>37.20</u>
Subtotal	52.39
Dock (if any)	<u>7.13</u>
Total	59.52

^aIf picnic grounds were not included, a minimum annual premium of \$22.50 would still apply with respect to the residence.

Source: John D. Rush and Ralph R. Botts, Liability and Insurance Protection for Farmers Who Have Income-Producing Recreational Facilities, FPED, ERS, USDA, Washington, D. C., June, 1963, ERS-120, pp. 4-5.

CHAPTER V

SUMMARY AND CONCLUSIONS

Summary

The overall objective of this study was to determine the opportunities and potentials for development of private outdoor recreation in Oklahoma. Specific objectives were to: (1) provide information concerning the existing operations in the state; (2) provide operational information concerning certain types of enterprises; (3) point out management problems that may be expected; and (4) provide budgets for different types of enterprises.

Operators of ten different types of enterprises in various areas of the state were interviewed to obtain information on capital investments and financial data, management and technical problems, complementary aspects of the enterprise and other factors influencing the success or failure of the enterprise.

Over 90 percent of the enterprises were located less than 50 miles from a city of over 10,000 population. Approximately one-half of the enterprises were located on, or less than one mile from, a paved road. Accessibility is one of the primary considerations in the success of recreational enterprises.

Approximately 80 percent of the operations provided facilities for overnight guests. Forty percent of the facilities provided eating

accommodations. The average distance to these facilities from those not providing them was approximately seven miles.

Over 60 percent of the operators had plans for the expansion of their facilities within the next five years. Sixty-five percent of the operators had ideas for substantial change in the construction of their facilities if they were to rebuild.

Almost all operators used some form of advertising. Word of mouth and outdoor signs were the most frequently used. Some operators used as many as six different types of advertising.

All enterprises except two were operated in connection with a farm operation. Over 75 percent of the operators still obtain the primary part of their income from farming operations. Over 80 percent of the operators stated that the recreational activity did not adversely affect their farming income, but did increase their total family income.

Nearly 40 percent of the operators reported borrowing money to establish the facilities. Commercial banks were used by approximately one-third of the borrowers.

The second and third quarter of the year (April through September) accounted for 78 percent of the total receipts for the enterprises. Approximately 50 percent of the receipts were obtained on the weekends and holidays.

Only 70 percent of the operators had liability insurance coverage. Many of these were in doubt as to whether they had complete coverage.

The demand for all types of outdoor recreational activity is increasing at a rapid pace. Private enterprises can provide some of

these recreational facilities, and also provide an opportunity for landowners to supplement their present farm income.

Conclusions

The success of recreational enterprises is dependent upon many factors in the initial selection of the enterprise. These factors include:

1. The human factor - the personality and tastes of the operator and his family; the knowledge, individual interest, and management ability of the operator; community attitudes towards outsiders and towards recreation in general.
2. The location - the proximity of the area to population centers and travel routes; accessibility; water resources; unique resources; the topography and land cover.
3. Present extent and distribution of facilities - the current availability to the public of the type of recreation planned; capacity and use level of existing public and private facilities; complementarity of existing facilities; nature of future demand for the facilities.
4. Laws and administrative regulations - operator liability; health and sanitation laws; permits and licensing regulations; tax collection laws; protection against vandalism and trespassing.

Recreational enterprises designed to provide the major source of income must be managed as capably as a successful farm operation. Very few farm families who have not been successful farmers will become rich overnight -- or even over several years -- by converting their existing farm assets to a recreational paradise. Even after two or three years most are still struggling to break even, much less make a profit. It takes time to physically develop the facility and build volume of business. Enterprises with good management and adequate capital for investment are the only ones that will be successful.

Insurance is an important economic consideration and a necessary cost of doing business. Anyone charging a fee to enter his property or to use facilities should protect himself by obtaining the necessary liability protection.

It is better to develop basic facilities first and add to the enterprise over time unless the operator is certain he has a "can't miss" proposition. It is best to develop some basic facilities, then add "niceties" and other facilities as time and money permit.

Management is the crucial factor in developing and operating a recreation enterprise. Successful recreation enterprises require good management.

The enterprise operator must keep complete and accurate records on fixed investment costs as well as on variable expenses such as hired labor, light and phone bills, gas for boat motors, etc. Records are necessary not only for tax and insurance purposes, but they are a must for making management decisions.

The development of resources for recreation with private capital can be profitable and can provide an excellent alternative use for excess labor or land. However, it must be concluded that recreation, as a primary source of income for farm families, is by no means an assured investment. Extreme caution and careful planning are necessary for a successful enterprise.

Need for Further Research

A subsequent study should be made on the enterprises represented in this study to determine how many are still in operation four or five years from now. The study could determine the number of

enterprises that have ceased operation, and the reasons for closing down. Information could also be obtained on the number of consolidations or mergers and the changes in size and number of recreational activities offered.

A study similar to this project should be undertaken to study all types of private outdoor recreation enterprises in Oklahoma. That study could include marinas, motels, cabins, and resorts. It was not feasible to try to obtain information from these types of recreational facilities in this initial study.

LITERATURE CITED

- [1] Clawson, Marion. Land and Water for Recreation. Chicago: Rand McNally and Company, 1963.
- [2] Barlowe, Raleigh, and Milton H. Steinmueller. "Trends in Outdoor Recreation." A Place to Live. Yearbook of Agriculture. Washington, D. C.: The U. S. Department of Agriculture, 1963.
- [3] Forest Recreation for Profit. U. S. Department of Agriculture, Forest Service, Agriculture Information Bulletin No. 265, August, 1962.
- [4] Jordan, Max F. Opportunities for Improving Rural-Family Income Through Recreation Enterprises. Fayetteville, Arkansas: Arkansas Agricultural Experiment Station Bulletin No. 673, University of Arkansas Division of Agriculture, June, 1963.
- [5] Owens, Gerald P. Income Potential from Outdoor Recreation Enterprises in Rural Areas in Ohio. Wooster, Ohio: Ohio Agricultural Experiment Station Research Bulletin No. 964, Ohio Agriculture Experiment Station, February, 1964.
- [6] U. S. Department of Agriculture. Rural Recreation Enterprises for Profit. Washington, D. C.: Agricultural Information Bulletin No. 277, U. S. Government Printing Office, October, 1963.
- [7] U. S. Department of Agriculture. Rural Recreation - A New Family - Farm Business, Report of Task Force on Income-Producing Recreation Enterprises on Farm Land. Washington, D. C.: U. S. Government Printing Office, September, 1962.
- [8] U. S. Department of Agriculture. Income Opportunities for Rural Families from Outdoor Recreation Enterprises, Economic Division Report No. 68. Washington, D. C.: U. S. Government Printing Office, March, 1965.
- [9] U. S. Department of Agriculture. Recreation Facilities and Services Operated by F.H.A. Borrowers, Economic Research Service, ERS294. Washington, D. C.: U. S. Government Printing Office, June, 1966.

- [10] McNeely, John G., and Daniel D. Badger. The Use of Markov Chains in Projecting Recreational Attendance Patterns. Paper presented at the Annual Meeting of the Association of Southern Agricultural Workers, New Orleans, Louisiana, January 31, 1967. Agricultural Economics Paper No. 671.
- [11] Oklahoma, Oklahoma Statutes, Game and Fish, Title 29, Sections 513 and 101E.
- [12] Oklahoma, Oklahoma Statutes, Sales Tax, Title 68, Section 1251C.
- [13] Oklahoma, Oklahoma Statutes, Public Health, Title 63, Sections 631 and 633.
- [14] White, James P. "Recreational Use of Private Land: Legal Implications in Contract and Tort." Article in Land Use Controls, University of Illinois College of Agricultural Special Publication No. 7, September, 1964, p. 50.

APPENDIX A

C O N F I D E N T I A L

Schedule No. _____
 Date _____
 Interviewer _____

Oklahoma Agricultural Experiment Station
 Department of Agricultural Economics
 Oklahoma State University
 Stillwater, Oklahoma

INVENTORY OF CAPITAL INVESTMENT, EMPLOYMENT AND INCOME
 FROM RECREATION FACILITIES

AREA SETTING

1. Local setting and description of area
 (Name) _____

2. Major land use (a) Crop land (b) Grazing land
 (c) Timber land
3. Topography (a) Flat (b) Rolling (c) Hilly
 (d) Mountainous
4. Special attractions (a) Lakes or ponds (b) Canyons
 (Indicate not more than 3 or rank in importance from 1 to 3) (c) Rapids (d) Rivers or streams
 (e) Caves (f) Buttes (g) Springs
 (h) Waterfalls (i) Foliage and flowers
 (j) Other (specify) _____

TYPE AND LOCATION OF BUSINESS

1. Name of (a) business _____ (b) operator _____
2. Address of business; Post office _____ County _____
3. Type of business _____
4. What are the major recreation attractions of this facility?

	(a) <input type="checkbox"/> Historical spots	(g) <input type="checkbox"/> Winter sports
	(b) <input type="checkbox"/> Camping	(h) <input type="checkbox"/> Fishing
	(c) <input type="checkbox"/> Picnicking	(i) <input type="checkbox"/> Hunting
	(d) <input type="checkbox"/> Climbing, hiking, riding	(j) <input type="checkbox"/> Golf & tennis
	(e) <input type="checkbox"/> Power boating, water skiing	(k) <input type="checkbox"/> Float fishing, canoeing
	(f) <input type="checkbox"/> Swimming	(l) <input type="checkbox"/> Youth camps
	(m) <input type="checkbox"/> Vacation farm	
	(n) <input type="checkbox"/> Other (specify) _____	

5. Distance of this facility from nearest special attraction (name of attraction) _____
 (a) 0-4 miles (b) 5-9 miles (c) 10-19 miles
 (d) 20-49 miles (e) No attraction within 50 miles.
6. Distance of this facility from nearest city of 10,000-49,999 (name) _____
 (a) 0-29 miles (b) 30-49 miles (c) 50-99 miles
 (d) 100-199 miles (e) No city within 200 miles.
7. Distance of this facility from nearest city of 50,000-99,999 (name) _____
 (a) 0-29 miles (b) 30-49 miles (c) 50-99 miles
 (d) 100-199 miles (e) No city within 200 miles.
8. Distance of this facility from nearest city of 100,000 and over (name) _____
 (a) 0-29 miles (b) 30-49 miles (c) 50-99 miles
 (d) 100-199 miles (e) No city within 200 miles.
9. How many miles is this facility from an asphalt or other surfaced road (Indicate in tenths if less than one mile)? _____ miles.
10. Is the access road an all weather road? (a) Yes (b) No. Does the condition of the access road hamper the recreational use of this property? (c) Yes (d) No.
11. Does the facility provide for overnight guests? (a) Yes, check kind or kinds (b) No (c) Campgrounds, (d) Trailer Camp (e) Rustic facilities (lacking indoor plumbing) (f) Lodging (minimum of conveniences) (g) Lodging (adequate-TV-air conditioning-swimming pool) (h) Lodging, elaborate. If none of these are present, how far is the nearest overnight accommodations? (i) _____ miles; accommodations for _____ persons.
12. Does this facility have eating accommodations? (a) Yes (b) No -- How far is the nearest eating accommodations? (c) _____ miles. Describe accommodations _____
-
-
-
-

13. Description of recreational facility (construction material, type of buildings, major uses) _____

14. History of recreation facilities Date

Original construction (a) _____

Additions and improvements

Type _____

15. In which year was the recreation facility established?
 _____ year

16. Was recreation facility established by present management?

(a) Yes (b) No

17. Has recreation facility been operated continuously?

(a) Yes (b) No -- explain _____

18. This business is (a) partnership (b) corporation
 (c) sole proprietorship

19. Are you (The operator) (a) an owner-operator
 (b) manager (c) lessee?

20. Have you had previous experience in this type of work?
 (a) Yes (b) No

21. What was your occupation just before operating this business?

<u>Occupation</u>	<u>Date in Years</u>	<u>City</u>	<u>State</u>
(a) _____	(b) _____	(c) _____	(d) _____

GENERAL INFORMATION ABOUT ENTERPRISES

1. Did you borrow money to construct your recreational facility?
 (a) No (b) Yes -- how much (c) \$ _____
 This was obtained from (d) relative (e) other individual
 (f) commercial bank (g) governmental agency (h) other
 (specify) _____
2. What interest rate were you charged? _____
3. Have you expanded your operation to the size you deem satisfactory?
 (a) Yes (b) No -- explain _____

4. Have you tried to borrow money to expand or operate your present
 enterprises and been refused? (a) No (b) Yes -- Explain --

5. Do you plan on enlarging your recreational facility in the next five
 years? (a) No (b) Yes -- Explain _____

6. Would you increase the size of your operation if you could borrow
 funds at 4 percent interest and 30 years to pay?
 (a) Yes (b) No
7. How many more workers could you employ in the operation of your
 recreation facility if such expansion were possible? _____
 number of workers.
8. If you rebuilt your facilities, would you make any changes?
 (a) No (b) Yes -- Explain _____

9. What technical problems have you encountered in operating your
 enterprises?

10. Have zoning regulations (federal, state, or local) influenced you in the development of this facility? (a) No, (b) Yes -- Explain _____

11. Has any governmental agency helped you in establishing this recreation facility? (a) No, (b) Yes -- Explain _____

12. Has any private agency helped you in establishing this recreational facility? (a) No, (b) Yes -- Explain _____

13. What was the most important factor influencing your decision to go into the recreation business?
- Know of other similar enterprises which are profitable
 - Encouraged by Resource Development or Rural Areas Development organizations
 - Desire to supplement farm income
 - This is my field of specialization
 - Other (specify) _____
14. Do you see any mistakes that you made in developing your recreational facilities? No Yes _____

15. What is the most important limitation to your operation in terms of making profit?
- Operating too small an enterprise
 - Not enough customers
 - Labor costs too high
 - Maintenance costs excessive
 - Credit not readily available
 - Other (specify) _____

16. Do you know of any recreation enterprises in this area that have failed? () No () Yes List types of enterprises and explain (in your opinion) why they failed _____

17. How is your recreation facility advertised? (If more ways than one, please number in order of importance.)
- () None
 - () Newspaper
 - () Radio
 - () Television
 - () Outdoor signs
 - () Direct mail
 - () Word of mouth
 - () Other (specify) _____

18. Do you carry liability insurance covering the patrons of the recreation facilities? (a) () No, (b) () Yes -- what kind _____
 _____ source _____
 premium: \$ _____; per _____? If no, why not

19. What are the major problems in the management of this recreation facility? (a) () Inability to get and retain good help; (b) () Attraction of patrons; (c) () Vandalism; (d) () Fire; (e) () Disposal of trash; (f) () Trespassing; (g) () Weather uncertainty; (h) () Other. Explain checks

COMPLEMENTARY ASPECTS OF HOLDINGS

1. Are these recreational enterprises part of a farm (include timber holdings as a farm)? (a) Yes (b) No

If yes, answer the following:

2. How many acres--owned and leased--are in the farm on which these recreation enterprises are located? _____ acres.
3. How many total acres in this farm are (a) owned _____ acres, (b) leased or otherwise controlled _____ acres?
4. What is the primary use of the land? (a) Recreation
(b) Ranching or grazing (c) Forestry or wood products
(d) Mining (e) Crops (f) Other (specify) _____
-
5. What item best describes the general cover on this farm? (a) Flat (b) Rolling (c) Hilly (d) Mountainous
(e) Other (specify) _____
6. What item best described the general cover on this farm? (a) Grass (b) Forest (c) Other (specify) _____
7. How many acres of cropland are in this farm (include harvested hayland as cropland)? _____ acres.
8. Has the recreational use affected your income from farm operations?
(a) No (b) Yes--Explain _____

9. Has the recreational use affected your total family income? (a) No (b) Yes--Explain _____

10. How much did the gross sales from farming amount to last year?
(a) less than \$50 (b) \$50 - \$2,499 (c) \$2,500 - \$4,999
(d) \$5,000 - \$9,999 (e) \$10,000 - \$19,999
(f) \$20,000 - \$39,999 (g) \$40,000 and over.
11. What is the estimated current sale value of the farm including recreational facilities? (a) 0 - \$4,999 (b) \$5,000 - \$9,999
(c) \$10,000 - \$24,999 (d) \$25,000 - \$49,999
(e) \$50,000 - \$99,999 (f) \$100,000 and over.

(Ask of owner-operators only-questions 11-13)

12. Do you presently owe any money for the purchase or expansion of your farm operation? (a) No (b) Yes How much money do you owe? (c) \$ _____
13. Have you mortgaged your farm to establish your recreational enterprise? (a) Yes (b) No.
14. Do you hire any non-family help to operate your farming enterprise? (a) No (b) Yes--how many workers (c) _____ number of workers.

15. How many full-time workers, including yourself and family members worked in these recreational enterprises last year:

	<u>Jan.-Mar.</u>	<u>April-June</u>	<u>July-Sept.</u>	<u>Oct.-Dec.</u>
	Males _____	Males _____	Males _____	Males _____
	Females _____	Females _____	Females _____	Females _____
	Total _____	Total _____	Total _____	Total _____

16. How many part-time workers, including yourself and family members worked in these recreational enterprises last year?

	Males _____	Males _____	Males _____	Males _____
	Females _____	Females _____	Females _____	Females _____
	Total _____	Total _____	Total _____	Total _____

17. I WOULD LIKE TO GET SOME INFORMATION ON THE PERSONS WHO WORKED IN THE RECREATIONAL ENTERPRISES LAST YEAR (1965)

First Name	Sex	Age	Relation-ship to operator, if any ¹	Was employee resident of local area prior to employment by you		Kind of work or job	Hours per day	Hours per week	Wages per week	If part-time, days equivalent* worked	Total wages paid
				Check Yes	No						

¹ Enter "None" if appropriate

*Days per week equivalent

Enterprise _____

RECREATIONAL ENTERPRISE

1. Which days in the week is this recreation facility open for business? _____
2. At what time is it open in the morning? _____
3. At what time does it close in the evening? _____
4. What was your total number of patron days using this enterprise last year? _____ number.
5. What proportion of your recreation receipts last year was obtained during

	<u>Percent</u>	<u>Weekday</u>	<u>Weekend</u>	
January-March	_____	_____	_____	100%
April-June	_____	_____	_____	100%
July-September	_____	_____	_____	100%
October-December	_____	_____	_____	100%
Total	100%			

6. Was this enterprise used to capacity during the peak quarter last year? (a) () Yes (b) () No--what percentage of capacity (c) _____ percent.
7. What percentage of your recreation receipts last year was obtained from
 - (a) Individuals _____ %
 - (b) Families _____ %
 - (c) Organized groups _____ %
 - (d) Total _____ 100 %

ENTERPRISE INVENTORY

8.	Land (used for recreation) acres _____, sale value	\$ _____
9.	Land improvements (roads, terracing, fencing, leveling, landscaping, etc.) specifically for recreational facilities (last 10 years)	Actual Cost \$ _____
10.	Buildings and permanent structures constructed specifically for recreation facilities (last 10 years)	
	<u>Kind</u>	<u>Age</u>
a.	_____	\$ _____
b.	_____	\$ _____
c.	_____	\$ _____
	Subtotal	\$ _____
11.	Operating equipment purchased within the last 10 years.	
a.	_____	\$ _____
b.	_____	\$ _____
c.	_____	\$ _____
	Subtotal	\$ _____
12.	Value of merchandise inventory, (during season)	
a.	_____	\$ _____
b.	_____	\$ _____
c.	_____	\$ _____
	Subtotal	\$ _____
13.	Other	
a.	_____	\$ _____
b.	_____	\$ _____
c.	_____	\$ _____
	Subtotal	\$ _____
	GRAND TOTAL	\$ _____

ENTERPRISE RETURNS

14. What type of fees, rentals or membership dues were charged for use of this recreational enterprise last year?

Type of fee or rental	Rate	Length of time (Visit, hour, day, etc.)	(How charged - person, car, party, etc.)	Receipts last year
Entrance to area	\$ _____	per _____	per _____	\$ _____
Parking	\$ _____	per _____	per _____	\$ _____
Camping	\$ _____	per _____	per _____	\$ _____
Picnicking	\$ _____	per _____	per _____	\$ _____
Boating	\$ _____	per _____	per _____	\$ _____
Hunting	\$ _____	per _____	per _____	\$ _____
Fishing	\$ _____	per _____	per _____	\$ _____
Horseback riding	\$ _____	per _____	per _____	\$ _____
_____	\$ _____	per _____	per _____	\$ _____
_____	\$ _____	per _____	per _____	\$ _____
_____	\$ _____	per _____	per _____	\$ _____
_____	\$ _____	per _____	per _____	\$ _____

15. What other receipts were obtained from this enterprise?

<u>ITEM</u>	<u>RATE</u>	<u>RECEIPTS PER YEAR</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
Total		\$ _____

Remarks:

ENTERPRISE EXPENSES

16. How much was your expense last year for:

a. Advertising	\$ _____	g. Insurance	\$ _____
b. Fuel and lights	\$ _____	h. Hired labor	\$ _____
c. Telephone	\$ _____	i. _____	\$ _____
d. Supplies	\$ _____	j. _____	\$ _____
e. Repairs	\$ _____	k. _____	\$ _____
f. Real estate and property taxes	\$ _____	l. _____	\$ _____
		m. _____	\$ _____
		Total	\$ _____

Remarks: _____

VITA

Alfred Larry Heard

Candidate for the Degree of

Master of Science

Thesis: POTENTIALS AND PROBLEMS OF FARM BASED RECREATIONAL ENTERPRISES
IN OKLAHOMA

Major Field: Agricultural Economics

Biographical:

Personal Data: Born at Ada, Oklahoma, November 10, 1944, the son
of Buck and Jean Heard.

Education: Attended grade school in Roff, Oklahoma; graduated from
Roff High School in May, 1962; attended Murray State College,
Tishomingo, Oklahoma; received the Bachelor of Science degree
from Oklahoma State University, with a major in Agricultural
Economics in May, 1966; engaged in graduate study toward a
Master of Science degree at Oklahoma State University with
requirements completed in May, 1967.

Professional Experience: Research assistant in the Agricultural
Economics Department, Oklahoma State University, from
February, 1966 to August, 1966; National Science Foundation
fellowship from September, 1966 to February, 1967.