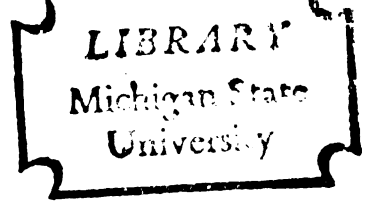


FARM RECREATION ENTERPRISES IN SOUTHERN
MICHIGAN

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ABSTRACT

FARM RECREATION ENTERPRISES
IN SOUTHERN MICHIGAN

by John Louis Okay

The purpose of the study was to investigate the effects of the establishment of recreation enterprises on Michigan farms in terms of adjustments in organization and resource allocation.

The study attempted to determine (1) the number and types of rural recreation enterprises in Southern Michigan, (2) changes in off-farm employment patterns for recreation farmers, (3) changes in land use and production, (4) changes in the use of family and hired labor, (5) the contribution of the recreation enterprise to family income, and (6) financial problems of establishing a farm recreation enterprise.

Four enterprises were studied: golf courses, riding stables, camping grounds, and fishing waters. The data were obtained through interviews with twenty-eight farm recreation enterprise operators in a twelve county area in Southern Michigan.

Farm recreation enterprises comprise a small part of the total supply of privately owned outdoor recreation facilities. Over one-third of the riding stables and

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hunting areas, however, are owned by farmers, and increasing numbers of farmers are becoming involved in recreation as a business.

The development of a recreation enterprise did not affect the off-farm employment pattern of farmers. Those who did have an off-farm job had been so employed even before the recreation enterprise was established. While recreation was not a factor in the shift to off-farm employment, several of the part-time farmers did develop the recreation enterprise as an eventual substitute for the farming operation.

Major land-use changes occurred on some individual farms as the result of developing a recreation enterprise. There has, as yet, been no substantial affect on the total land-use pattern in Southern Michigan.

The farm family provided most of the labor used in the recreation business. Labor requirements in most enterprises were high, and coincided with the busiest months on a farm. Some operators expressed dissatisfaction with the long days and busy weekends that accompany a recreation business.

The recreation enterprise, in general, provided only supplementary income to the farm family. In just two cases it was the sole source of family income. Income data, while somewhat incomplete, indicated that low returns

from the recreation business are common. This seemed especially true for those enterprises which had been in operation for four years or less. Some improvements in net returns are expected once the development stage is passed.

Farmers experienced little difficulty in financing a recreation enterprise. The majority were developed slowly, with new investments covered by current income. The low incidence of credit use was due in part to the fact that no farmers purchased additional land for use in the recreation business.

FARM RECREATION ENTERPRISES
IN
SOUTHERN MICHIGAN

by

John Louis Okay

A THESIS

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CHAPTER I

THE STUDY

Introduction

In recent years there has been considerable discussion relating to the establishment of various recreation enterprises in rural areas. The entire subject of outdoor recreation underwent intensive study by the Outdoor Recreation Resources Review Commission beginning in 1958. When its final report, Outdoor Recreation For America, was released in 1962, both private citizens and public agencies became aware of the pressing need for more recreational sites. This need was shown to be greatest in the eastern one-half of the United States.

The projections made by ORRRC indicated that much more land would be needed for recreation, especially in areas close to population centers. To those concerned with agricultural problems, particularly those related to overproduction and poor land utilization, recreation seemed an immediate answer. They visualized this as a means of shifting resources from agricultural production while also providing the greater returns to the owners that are needed to bring about desired adjustments in resource allocation.

On January 31, 1962, the same day on which ORRRC presented its final report, President Kennedy sent a message

to the Congress outlining a new agricultural program. In the land conservation and utilization section of the message he called for new legislation to encourage land-use changes through expanded payment and cost-sharing arrangements, more technical assistance, and broader loan policies. The Food and Agriculture Act of 1962 as later passed by Congress embodied those suggestions and set the stage for the emergence of private recreation as a new farm business.

Secretary of Agriculture Orville L. Freeman acted to implement the new legislation in November, 1962. In a series of directives he outlined specific duties for various agencies within the Department, with the Soil Conservation Service assigned leadership responsibilities in the area of income-producing recreation developments on private rural lands. The SCS was to assist the other specified agencies in carrying out the Department's policy in this area, which was to:

Use all available authorizations to encourage and assist rural landowners and operators and local organizations to develop hunting, fishing, and other recreational facilities as income-producing enterprises as part of a conservation plan for the entire land unit.

Enlist the cooperation of public and private agencies and organizations that can help landowners and operators in developing such undertakings.

Implement income-producing recreation developments through Farmers Home Administration loans to family-farm operators for establishing recreational developments to supplement farm income, and to groups of farmers and rural residents for recreation facilities related to shifts in land use.

Provide through appropriate agencies research, education, technical assistance, cost-sharing, and credit services needed in developing income-producing recreation on rural lands, including strengthening Rural Areas Development committees and technical action panels.¹

The full resources of the Department of Agriculture were thus mobilized in order to foster recreation enterprises on private rural lands, and not without success.

Undoubtedly, the unusually great interest in recreation development possibilities exhibited by farmers and owners of rural lands was largely generated by the publications and efforts of Department of Agriculture personnel. The new farm recreation development policy they began . . . created a nation-wide enthusiasm for conversion of agricultural lands to recreation use.²

If more encouragement was needed it was provided by the popular farm press which reported the success stories

¹Lloyd E. Partain, "Recreation Brings New Opportunities to Rural America," Soil Conservation, XXVII (March 1963), p. 172.

²Louis F. Twardzik, "Effects on Public Policy of Farm Recreation Developments," Journal of Soil and Water Conservation, XX, (May-June 1965) p.15.

of farmers who had converted all or part of their acreages from agricultural production to income-producing recreational uses. Farm recreation enterprises were hailed as more enjoyable and more profitable than the toil of normal farm operations.

Thus stimulated by public agencies and attractive publicity, farmers' interest in recreation increased rapidly. "Since . . . 1962, more than 25,000 farmers throughout the nation have established one or more income-producing recreation enterprises on their land."³ In Michigan the continued interest and activity in this new business fostered the formation of the Michigan Association of Rural Recreation Enterprises in 1965 with over seventy members.

The supporters of rural recreation base their opinion primarily on the expectation that it will (1) shift land from the production of agricultural commodities, (2) provide new sources of income for rural families, and (3) help meet the increasing demand for recreation facilities. The accomplishment of these goals would have far-reaching effects on the structure of Michigan agriculture.

³Max M. Tharp, "Recreation as a Farm Business," Farm Policy Forum, XVIII, (No. 1, 1965-66) p. 15.

Little is presently known about this new farm business in Michigan. How many farmers have adopted a recreation enterprise? Have significant changes in land use been obtained? How have farm incomes been affected? These are important questions that need to be answered from both a management and a policy standpoint.

There is generally a dearth of objective literature on the subject of rural recreation enterprises. Some of this can be attributed to the relatively short lapse of time since such enterprises became a reality in such numbers as to warrant serious investigation.

In spite of this a number of reports on the subject can be found. Most of them are USDA publications, however, and the earlier ones especially paint a glowing picture of rural recreation. A special task force report was the first such publication.⁴ It contained an introduction to farm recreation businesses and cited examples of various types of successful enterprises. This and subsequent

⁴U.S., Department of Agriculture, Rural Recreation: A New Family-Farm Business, Report of a Task Force on Income-Producing Recreation Enterprises on Farm Land, (Washington: U.S. Government Printing Office, 1962).

similar reports were obviously designed for popular consumption to encourage the establishment of such enterprises and deserve only passing reference here.

More recent reports, including those of various USDA agencies, have delved into some of the physical, financial, and managerial problems of recreation farmers. Unfortunately, nearly all of these suffer from one or more shortcomings. In the large majority of cases purposive sampling techniques were used. The results are therefore subject to biases of personal selection. In addition many studies concentrate on one particular enterprise so that a clear picture of the total impact of recreational developments cannot be assessed. There is clearly a need for more objective and broadly based research into this area.

Objectives

The primary purpose of this study is to investigate the effects of the establishment of recreation enterprises on Michigan farms in terms of adjustments in organization and resource allocation. These adjustments may have the effects of (1) increasing the overall efficiency and income of the total farm business, thereby making it feasible to continue normal production, or (2) providing

returns to farm and human resources that will enable one to withdraw all or part of the farm from agricultural production while off-farm employment develops as a major source of family income.

More specifically the study will examine (1) the number and types of rural recreation enterprises in Southern Michigan, (2) the contribution of the recreation enterprise to family income, (3) changes in the use of family and hired labor, (4) changes in off-farm employment patterns for recreation farmers, (5) changes in land use and production, and (6) financial problems of establishing a rural recreation enterprise.

Procedure

The thirty-eight southern counties of Michigan comprised the original study area for this investigation (Figure 1). This region of the state was selected because it contains the greatest proportion (79 percent) of Michigan farms, has several large population centers which provide nearby markets for recreational services, and offers numerous opportunities for off-farm employment which may also contribute to farm adjustments.

During 1965 an inventory of private outdoor recreation enterprises was compiled by the State Soil Conservation Committee in cooperation with local soil conservation committees and SCS personnel in Michigan's soil conservation districts. The inventory listed the name, address and major enterprise type for each known outdoor recreation business in the state on a county basis. The sampling frame was derived from this inventory.

The Work Unit Conservationist for each soil conservation district in the study area was mailed a copy of the inventory for his district and asked to identify the farm recreation enterprises on the list.⁵ Replies were received covering thirty-seven counties.⁶ The resulting register represented as completely as possible the population of farm recreation enterprises in the study area.

The population was stratified by enterprise type and four strata representing fifty-five percent of the total

⁵ A farm recreation enterprise is herein defined as one carried out (1) by a business which, for any year since 1955, would have been defined as a farm in economic class I through V by current census definition, and (2) by a person who was the operator of that farm during the same time period.

⁶ No inventory had been taken in Wayne County which is encompassed in large part by metropolitan Detroit. Correspondence with the County Extension Agricultural Agent provided the data for Hillsdale and Huron Counties.

were selected for analysis: golf courses, riding stables, campgrounds, and fishing waters. The sampling rate within each strata was twenty-five percent.

Interviews were conducted in twelve counties in central southern Michigan (see Figure 1). The counties were chosen in such a way that travel time and expenses were minimized while insuring that the sampling rate was met. In addition they were selected to provide a cross section in terms of population density, type of farming area, and topography, all of which have an important bearing on the development of a recreation enterprise.⁷ A stratified random sample of the enterprises within the twelve county area was then drawn.

Interviews took place during August and September 1966. Respondents were first questioned about their farming status. This was to assure that their business actually did qualify as a farm recreation enterprise. They were also classified as inactive or active farmers on the basis of farm product sales of \$2500 or more. The active farmers were further designated as full-time or

⁷These and other factors which influence the supply of rural recreation enterprises are clearly discussed in U.S., Department of Agriculture, op. cit., pp. 21-25.


part-time, the latter group including those who worked off the farm 100 days or more in any year since 1955.


Other parts of the interview schedule included questions on family and hired labor, acreages and cropping patterns, family income, and recreation investments and returns. See appendix for complete schedule.

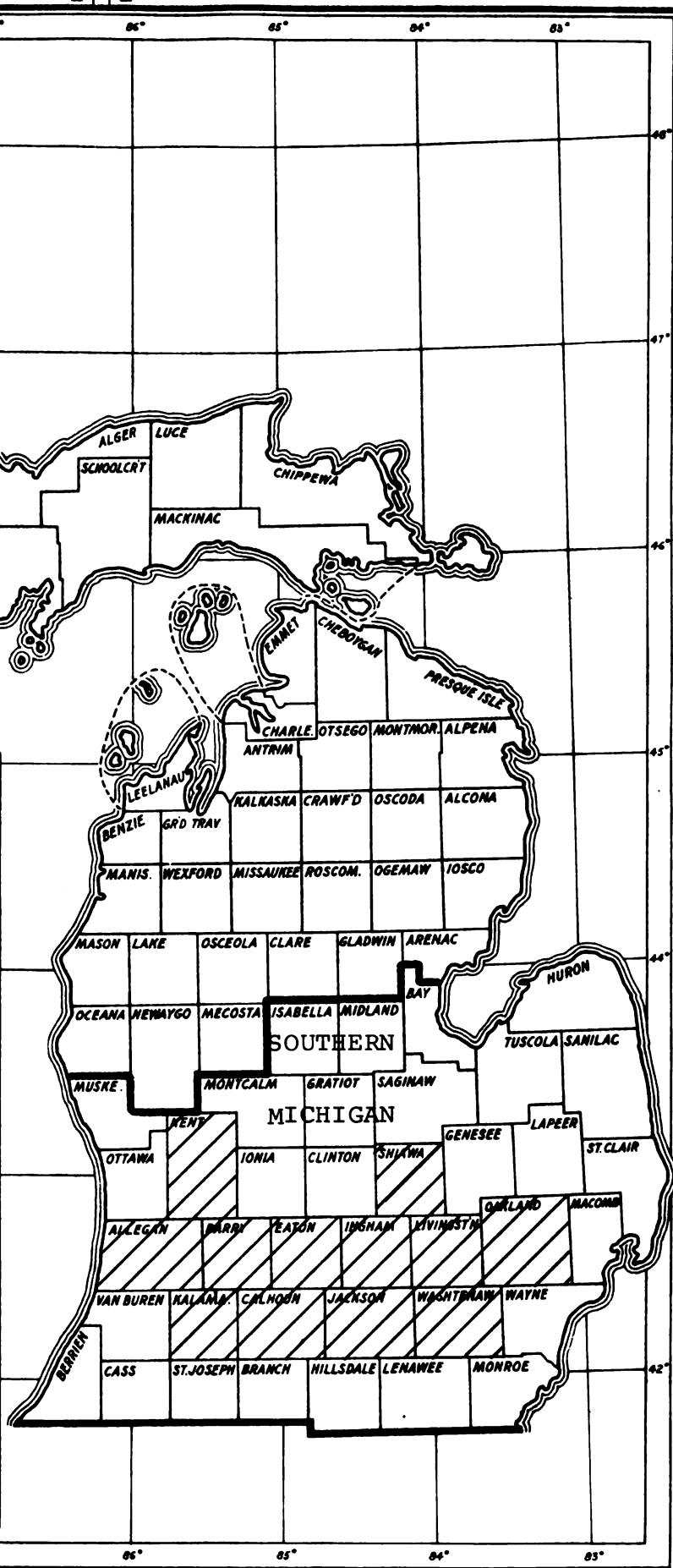
The owners of twenty-eight farm recreation businesses were interviewed, with twenty-six complete schedules used for analysis. The other two were discarded because the owners refused to answer several vital questions. Interviews were requested of the principal operator of the recreation business. In about one-half of the cases this person was the wife of the farm owner.

In Chapter II a sketch of agriculture, recreation demand factors, and recreation farming in Southern Michigan is presented. Chapter III discusses various aspects of establishing a farm recreation enterprise including investments, land-use adjustments, and financing. Chapter IV deals with the operation of a recreation enterprise and covers labor use, recreation income, and the contribution of the recreation business to family income. The final chapter contains a summary and some concluding remarks.

Figure 1.--The Study Area

 Indicates counties in which interviewing took place.

 Indicates counties in which interviewing took place.



CHAPTER II

A PROFILE OF SOUTHERN MICHIGAN

Introduction

Compared to the scenic wooded lands in the northern two-thirds of the state, the study area would seem to offer little opportunity for a successful outdoor recreation business. There are, in fact, several characteristics of this region which have enhanced the development of outdoor recreation in general and farm recreation enterprises in particular. The most important of these factors have been the agricultural background within which farm recreation has evolved and the growing demand for outdoor recreation facilities.

In the following paragraphs these two factors are reviewed and their influence upon farm recreation is discussed. Finally, the scope of farm recreation is outlined through a presentation of the number and types of enterprises found in the study area.

Agriculture

One word which best describes the agriculture of Southern Michigan is variety. Although dairy farms comprise the largest single group, cash-grain farms and livestock

farms are also prevalent throughout the region. Fruit and truck farms are important in the western sector and are found to a lesser extent in the central and southeastern parts. General farms and poultry farms are widely distributed in smaller numbers across the region.

The fertile soils and relatively favorable climate together with nearby markets have made Southern Michigan the center of the state's commercial agriculture. The region contains eighty-one percent of Michigan's commercial farms (Table 1).¹ It includes seventy-four percent of the total farm acreage in the state, but less than forty-three percent of the total land area.

Table 1.--Number of commercial farms, total farms, acres in farms, and total acres, Southern Michigan, 1964.^a

Item	Units	Southern Michigan	Percentage of State Total
Total Farms	number	74,216	79.4
Commercial Farms	number	48,666	80.9
Acres in Farms	acres	10,048,647	73.9
Total Land Area	acres	15,504,640	42.5

^aBased on preliminary reports of the 1964 Census of Agriculture.

¹According to Census definition, all farms with total product sales of \$2,500 or more are classified as commercial. This classification includes farms with sales of \$50 to \$2,499 if the operator was under 65 years of age, did not work off the farm over 100 days annually, and farm income was the major source of family income.

The structure of agriculture is changing in Southern Michigan as it is throughout the state and even the nation as a whole. Farms are declining in number and more land is being converted to non-agricultural uses. As shown in Table 2, the number of farms declined more on a percentage basis than did the acres of farmland. This illustrates the fact that much of the land from retired farms stays in production through purchase or rental by other farmers in order to increase the size of their operations.

Table 2.--Decrease in number of total farms, commercial farms, acres in farms, Southern Michigan and the State, 1959 to 1964.^a

Item	Percentage Decrease	
	Southern Michigan	State Total
Total Farms	15.7	16.4
Commercial Farms	8.2	7.5
Acres in Farms	6.7	8.0

^aBased on Agricultural Census data.

It should be noted that while there was a rather substantial decrease in the number of total farms, the percentage decrease in commercial farm numbers was just over one-half as great. In 1959 commercial farms represented sixty percent of the total number of farms, while by 1964 that

proportion had risen to sixty-six percent. Furthermore there was a net increase in the number of farms with sales of \$10,000 or more during that same five year period. So while the number of farms is declining, those which remain are on the average becoming larger both in terms of acreage and output. It is the small, low income, and presumably inefficient farm that is on the wane.

Another important feature of agriculture in the study area is the large percentage of part-time farmers.² In 1959 over forty-two percent of all farm operators reported working off the farm 100 days or more (Table 3). This was considerably higher than the national average of thirty percent for that year. By 1964 the proportion of part-time farmers had increased slightly to forty-five percent, although the total number fell by over ten percent.

²Here and throughout this study, part-time farmers are defined as those who worked off the farm 100 days or more annually. This concept of part-time farmer differs from the income oriented definition used in the Census of Agriculture. For a discussion of these criteria see Ralph A. Loomis, A Profile of Part-Time Farming in the United States, Agricultural Economics Report 15 (East Lansing: Department of Agricultural Economics, Michigan State University, August, 1965), pp. 2-5.

Table 3.--Farm operators who Worked off the farm 100 days or more, Southern Michigan and the State, 1959 and 1964.^a

Area	Number		Percentage of All Farm Operators		Percentage Decrease 1959 to 1964
	1959	1946	1959	1964	
Southern Michigan	37,201	33,201	44.7	42.3	10.8
Michigan Total	47,161	41,384	44.3	42.2	12.3

^aBased on Agricultural Census data.

This information and other recent research indicate that part-time farming is becoming an increasingly common practice in Southern Michigan. Moreover it is not used primarily as a means of moving out of farming completely. Loomis found that over two-thirds of the part-time farmers plan to continue both farming and off-farm work as a permanent arrangement.³ It appears that a combination of off-farm employment with some sort of farming program is more rewarding, both financially and personally, than either of them alone. If this is the case, part-time farming should persist for some time.

³Ralph A. Loomis, "Occupational Mobility in Rural Michigan" (unpublished Ph.D. dissertation, Department of Agricultural Economics, Michigan State University, 1964), pp. 92-95.

The preceding material has outlined certain agricultural characteristics of the study area, all closely linked to the policy of the USDA with regard to farm recreation. Indeed that policy was intended to deal directly with such problems as the small low-income farm and the increasing exodus from agriculture. An early USDA statement listed four reasons for its interest in farm recreation:

(1) It offers a chance to provide additional income to farmers and associated businesses and, at the same time, enables farmers to stay on their farms; (2) it can aid in diverting cropland to a more remunerative use for the owner which can later, if and when needed, be returned to cultivation; (3) it provides an urgently needed service; and (4) it helps stabilize the local economy and strengthen social institutions without removing land from private ownership or reducing the tax base.⁴

Note that the first stated interest is in raising farm incomes and keeping people on their farms. Conditions in the study area indicate a need for action to achieve these ends. In addition there are large numbers of part-time farmers who wish to retain their farms but might be interested in shifting to recreation as an alternative land use. It seems reasonable to expect more significant

⁴U.S., Department of Agriculture, op. cit., p.2.

resource adjustments among this group than among full-time farmers heavily committed to a large scale operation as their only source of family income.

Population and Other Demand Factors

Population is an important factor in the demand for outdoor recreation services. An important feature of Michigan's population is its centralization in the southern region. In 1960 that area contained over ninety percent of the nearly eight million persons in the state (Table 4). Moreover this centralization includes a concentration in urban areas. As Table 4 points out, the urban population of Southern Michigan represents over three-fourths of the total for that region.⁵ Furthermore, sixty-five percent of that urban population resides in just three counties: Macomb, Oakland, and Wayne.

⁵ Basically the urban population includes all persons living in incorporated villages, towns, and cities of 2500 or more. Refer to U. S. Census of Population: 1960 for a complete definition.

Table 4.--Total, urban, and rural population, Southern Michigan and the State, 1960.^a

	Total Population	Percentage of State Total	Urban number	%	Rural number	%
Southern Michigan	7,126,982	91.1	5,491,150	77.0	1,635,832	23.0
State Total	7,823,194	100.0	5,739,132	73.4	2,084,062	26.6

^aCalculated from Allen Beegle, et al., Michigan Population 1960, Selected Characteristics and Changes, Michigan Agricultural Experiment Station Special Bulletin 438 (East Lansing, 1962), Appendix Table 1, pp. 37-40.

Access to recreation facilities is another important factor in demand.

The great bulk of the demand must be satisfied in the afterwork and weekend hours. Americans are a highly mobile people, ...but even on a vacation trip more than half seek recreation one or at most two days' travel from home. For weekend and day trips they travel only a few hours.⁶

This is an important fact for owners of recreation enterprises in Southern Michigan. All of the major population centers in this region are connected to the Interstate Highway

⁶Outdoor Recreation Resources Review Commission, Outdoor Recreation for America (Washington: U. S. Government Printing Office, 1962), pp. 26-27.

System which provides fast, direct routes from urban to rural areas. The combined network of federal, state, and local highways means that there are over seven million potential patrons only minutes away from an outdoor experience.

Income is a third demand factor of great importance, particularly for private recreation enterprises. There has been a steady increase in the income of Michigan residents in recent years; per capita income rose by thirty percent from \$2,324 in 1960 to \$3,010 in 1965.⁷ It has been shown that participation in outdoor recreation generally increases with income.⁸ Therefore much of the growth in the market for recreation services in Michigan can be attributed to rising personal incomes which have allowed more people to take advantage of the extra services available to them in private recreation establishments.

Clearly the opportunity to meet the recreational needs of Michigan residents is a challenging one. The prospects for private recreation enterprises seem bright when only the factor of population is examined. When access and income are added to the demand picture, it is

⁷Michigan State University, Bureau of Business and Economic Research, Michigan Statistical Abstract (6th ed.; East Lansing, 1966), p.93.

⁸Outdoor Recreation Resources Review Commission, op. cit., p.28.

not surprising that many new recreation businesses have been developed throughout the study area.

Farm Recreation Enterprises⁹

Farm recreation is an important part of the entire setting of private enterprise in the field of outdoor recreation. In order to better understand the farm sector it will be helpful to briefly review the industry as a whole.

There were 876 private outdoor recreation enterprises in Southern Michigan as of August 31, 1966. As Table 5 shows, golf courses are the most numerous type of enterprise, followed closely by water sports areas. Cabin and cottage sites rank third, with riding stables fourth. These four enterprise types together account for over one-half of the total number in the study area. There was a two percent net increase in the total number of enterprises from 1965 to 1966, with new camping grounds, golf courses, and winter sports areas responsible for most of the increase.

Farm recreation enterprises represent just over sixteen percent of the total (Table 5). While this percentage alone is not large, farm businesses do, nevertheless,

⁹ Refer to footnote 5, Chapter 1, for the definition of farm used in this study.

account for a significant proportion of the total within several enterprise types. The most notable of these are hunting areas, shooting preserves, and riding stables. Two of these enterprises-hunting areas and riding stables-are also among the easiest for farmers to develop. In the first case the basic requirements are sufficient acreage

Table 5.--Number of private outdoor recreation enterprises by type, total and farm, Southern Michigan, 1966.^a

Enterprise type ^b	Total (Number)	Farm (Number)	Farm as percentage of total
Riding Stable	90	29	32.2
Golf Course	205	26	12.7
Water Sports Area	143	19	13.3
Fishing Waters	66	16	24.2
Camping Grounds	71	15	21.1
Field Sports Area	72	15	20.8
Hunting Area	21	8	38.1
Shooting Preserve	16	5	31.3
Winter Sports Area	30	5	16.7
Vacation Farm	34	4	11.8
Cabin, Cottage Sites	92	1	1.1
Scenic Area	36	0	0.0
Total	876	143	16.3

^aBased on an inventory by the State Soil Conservation Committee, and correspondence with SCS personnel and County Extension Agricultural Agents.

^bRefer to Appendix for definitions of types of recreation enterprises.

and wildlife. Most farms have both; in fact, most small game hunting in Michigan now takes place on private farmland free of charge. Some plantings of food and cover, and other elementary wildlife management practices would provide the extra game to attract hunters who will pay for their hunting privileges. For riding stables the requirements are land, buildings, feed, horses, and equipment. Most farms already have the first three of these; other farms may have the latter two as well. On the other hand, a non-farm investor, even if he were a rural landowner, would find these enterprises more difficult to establish since he would have less to start with.

In terms of numbers, a riding stable is the most common type of recreation enterprise undertaken by farmers. Golf courses have also been developed by a large number of farmers and together with riding stables represent over one-third of all farm recreation enterprises. Water related enterprises including both water sports areas and fishing waters comprise a large portion of the farm total. Table 5 lists these and the other enterprises in order of importance within the farm category.

Farm recreation is expanding, and doing so faster than private outdoor recreation as a whole. In just one

year, from 1965 to 1966, there was a net increase of over nine percent in the number of farm recreation enterprises in Southern Michigan as compared to two percent for the total. Of the six private recreation enterprises known to have gone out of business during that same period, only one had been classified as a farm recreation enterprise. It is difficult to predict if this relative increase in farm recreation enterprises will continue, for there are many uncertainties involved. At least one can say that presently farmers are making an important contribution to the total supply of private outdoor recreation facilities.

CHAPTER III
ESTABLISHING A FARM RECREATION ENTERPRISE

INTRODUCTION

The preceding chapter dealt in broad terms with some notable characteristics of the study area, viz., agriculture, recreation demand factors, and farm recreation. This chapter presents a more detailed analysis of the sample of farm recreation enterprises and provides some insights as to why and how farmers become established in a recreation business.

Of the twenty-six interviews used as the basis for this analysis, ten were conducted with full-time farmers, six with part-time farmers, and ten with inactive farmers.¹ There were interesting differences among these three groups in terms of their experiences in the recreation business which will be discussed in detail along with comparisons among the enterprise types covered in the sample.

Why a Recreation Enterprise?

As previously discussed, farm recreation enterprises were acclaimed as an additional source of income for rural

¹An inactive farmer is defined as one who in 1965 sold less than \$2500 worth of agricultural products but had sold at least that amount in any year since 1955.

families, and were expected to produce greater returns to marginal lands than could be realized from agricultural production. This prospect was in fact a major argument presented by the USDA in its publications on this subject. Among the respondents in this study, however, a variety of factors influenced their decision to undertake a recreation project.

Full-time farmers view recreation enterprises primarily as a means of utilizing heretofore idle resources in order to obtain additional income. There was no indication from the sample that full-time farmers as a whole are shifting substantial acreages from agricultural production to recreation use. This point will be further illustrated near the end of this chapter.

Eight of the ten full-time farmers already owned the basic prerequisites for a recreation business before development was initiated. Six respondents in this group owned, as part of their farm, property either adjoining or enclosing a lake. In an effort to make use of this basic resource they developed a fishing site or campground. Two others had bred horses for several years and opened a riding stable as an outgrowth of that activity. The desire for additional income motivated most of these farmers, but two

recreation businesses were started to give the children more responsibility and an opportunity to earn some money.

The two remaining full-time farmers had no unique resources on their farms when the decision was made to undertake a recreation enterprise. Thus considerably more initial investment was required to establish the business. The prospect of additional income was the primary motivation for these farmers.

Recreation enterprises represent an alternative land use for part-time farmers who wish to reduce the size of their productive operations. All of the part-time farmers interviewed were working 100 days or more per year in an off-farm job at the time they entered the recreation business. Thus it does not appear as is sometimes suggested that recreation enterprises are undertaken for the purpose of freeing the operator from farm labor in order to take off-farm employment. They are, rather, developed ex post facto.

Among the part-time farmers, four entered the recreation business because of inadequate returns from normal farming operations. Farm size was the factor which most limited farm income, but low milk prices were cited in one case.

The balance of the part-time farmers added a recreation

business to their continuing productive enterprises. In these cases the respondents had raised horses for some time and merely opened their gates to customers.

Inactive farmers entered the field of recreation for a greater variety of reasons than did the others. The off-farm employment pattern for this group was similar to that among part-time farmers. Nine of the inactive farmers held an off-farm job at the time a recreation enterprise was established. Here again the movement out of agriculture had already begun before recreation entered the picture.

A desire to quit farming either because of poor health or general dissatisfaction was the primary reason given by five of the inactive farmers. They did want to use their land as a source of income, however, and recreation seemed to them to be the best alternative.

A good location and opportunity for investment led the other five inactive farmers to recreation. All of these respondents had ceased farming some time before and sought to utilize the idle resources to increase their income. One of them stated that a relative who is a professional soil conservationist persuaded him to build his campground.

Farming Experience

The group of farmers interviewed had an average of eighteen years of farming experience at the time they entered the recreation business. There was no significant difference among full-time, part-time and inactive farmers with respect to this characteristic.

There were notable differences, however, as to the types of farming engaged in by farmers in the three groups. As Table 6 indicates, six major farm types were represented in the sample. Dairy farms made up the largest single group overall, and also among full-time and inactive farmers.² Field crop farms ranked second with equal numbers of full-time, part-time, and inactive farmers in that category. Three full-time and one inactive farmer reported beef-production as the major enterprise. The sample included just two each in the classification of general, fruit or truck, and horse breeding farms. It should be noted that both of the latter were part-time operations and were considered as active farms on the basis of livestock sales of over \$2500 in 1965.

²For inactive farmers, the farm type refers to the major enterprise carried out before production ceased or fell below the \$2500 level.

Some interesting relationships may be observed between farm status and the type of enterprise engaged in, especially in the case of full-time and inactive farmers. A majority of the full-time farmers interviewed operated a camping ground or fishing site, both of which required only a limited acreage. On the other hand, land requirements for a golf course are much higher; only one full-time farmer operated a golf course. Idle land was one resource most inactive farmers had in abundance, and six of those did develop a golf course.

Table 6.--Distribution, by farm and recreation enterprise type of full-time, part-time, and inactive farmers for a sample of farm recreation enterprise owners, Southern Michigan, 1966.

Farm Type	Golf Course	Riding Stable	Recreation	Enterprise	TOTAL
			Camping Grounds	Fishing Waters	
Full-time					
Dairy	0	0	2	2	4
Beef	1	2	0	0	3
Field Crops	0	0	0	2	2
General	0	0	0	0	0
Fruit or Truck	0	1	0	0	1
Horse Breeding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	1	3	2	4	10

Part-Time					
Dairy	0	1	0	1	2
Beef	0	0	0	0	0
Field Crops	1	1	0	0	2
General	0	0	0	0	0
Fruit or Truck	0	0	0	0	0
Horse Breeding	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>2</u>
TOTAL	1	4	0	1	6

Inactive					
Dairy	2	0	2	0	4
Beef	1	0	0	0	1
Field Crops	1	1	0	0	2
General	2	0	0	0	2
Fruit or Truck	0	0	1	0	1
Horse Breeding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	6	1	3	0	10

TOTAL ALL TYPES	8	8	5	5	26

Assistance in Establishment

Recreation enterprises are an entirely new venture for most farmers. Many farm families may have had contact with private recreation through participation. Few, if any, however, have had experiences in establishing and managing such a business. In spite of this only one-half of the respondents obtained some planning and/or technical assistance. Furthermore, friends and neighbors were the sources of help most frequently contacted.

Assistance was obtained by nearly equal proportions of full-time, part-time, and inactive farmers, but there were some differences among enterprise types. Five of the eight golf course developers received assistance as did three of the five camping ground owners (Table 7). Less than one-half of the fishing waters and riding stables were developed with outside help.

The Soil Conservation Service was the second most frequently mentioned source of assistance, and was contacted by all of the golf course operators who received help. Other government agencies were also contacted, but not as frequently (Table 8). Eight of those receiving assistance reported contacting two sources.

Table 7.--Assistance in Business Establishment by Enterprise Type For a Sample of Farm Recreation Enterprise Owners Southern Michigan, 1966.

Enterprise Type	Total Number	Number Obtaining Assistance
Golf Course	8	5
Camping Ground	5	3
Fishing Waters	5	2
Riding Stable	8	3
TOTAL	26	13

Table 8. --Sources of Planning and Technical Assistance for a Sample of Farm Recreation Enterprise Owners, Southern Michigan, 1966.

Source of Assistance	Number Contacting This Source
Friends and neighbors only	3
Soil Conservation Service Only	2
Both Friends and Neighbors and SCS	4
Both Cooperative Extension Service and SCS	1
Both Friends and Neighbors and Coop. Ext. Service	1
Both Friends and Neighbors and Farmers Home Adm.	1
Both ASCS and SCS	1
TOTAL	13

No questions were asked to determine exactly the type of assistance obtained in each case. This could be deduced from the information above since the responsibilities of the various governmental agencies are well defined in terms of the help they can provide for private recreation developments. The Soil Conservation Service, for example, will give technical assistance in the form of plans, designs, and supervision for using soil and water resources in recreation developments. The respondent who contacted the Farmers Home Administration may have, if he met certain requirements, borrowed up to \$60,000 for an outdoor recreation business on his farm. The Cooperative Extension Service and the Agricultural Stabilization and Conservation Service provide assistance within their respective fields of education and administration of land use adjustment programs (including direct payments and cost-sharing for participation in various parts of the programs).³

³For a more complete list of governmental agencies and private organizations that serve persons interested in outdoor recreation refer to Louis F. Twardzik, Sources of Assistance in Recreation, Michigan State University Extension Bulletin 481 (East Lansing, 1965).

Recreation Investments

Owners of farm recreation enterprises have substantial amounts of capital committed to the recreation business. The sample group of twenty-six farmers had total recreation assets of over one million dollars, or nearly forth thousand dollars per farm (Table 9).

Table 9.--Summary of recreation investments by Enterprise type for a sample of farm Recreation Enterprise Owners, Southern Michigan, 1966.^a

Enterprise	Range		Total	Average
	High	Low		
Golf Course	\$180,000	\$50,000	\$ 792,000	\$99,000
Riding Stable	32,500	8,000	119,200	14,900
Camping Ground	65,000	2,200	97,450	19,490
Fishing Waters	2,100	1,100	7,750	1,550
TOTAL	\$180,000	\$ 1,100	\$1,016,400	\$39,092

^aThese figures include value of land used in the recreation enterprise.

Recreation investments differed markedly among enterprise types and ranged from a high of \$180,000 for a golf course down to \$1,100 for fishing waters, as shown in the above table. The average investment by golf course developers

was greater than the highest asset total listed for any of the other types. This reflects the relatively larger acreages and extensive land improvement measures required to provide for an adequate playing field. Fishing waters, on the other hand, need basically only a small area for parking and dock facilities in addition to a few boats.⁴

Full-time farmers had a lower average investment in recreation facilities than either of the other two groups and particularly when compared to inactive farmers (Table 10). Even part-time farmers had, on the average, less than one-third the recreation assets of inactive farmers. While these differences are striking, it must be noted that inactive farmers owned six of the eight golf courses included in the sample which were highest among the enterprise types in terms of average investment. By referring back to Table 6 it is clear that full-time and part-time farmers are most involved in fishing waters and riding stables respectively. These enterprises were shown previously to have the lowest average investment. It is therefore enterprise type rather than farming status which is more closely related to the size of recreation investment.

⁴Refer to Appendix A for a list of standard facilities usually offered by the various enterprises.

Table 10.--Summary of recreation investments by full-time, part-time, and inactive farmers for a sample of farm recreation enterprise owners, Southern Michigan, 1966^a

Farming Status	Range		Total	Average
	High	Low		
Full-Time	\$ 65,000	\$1,100	\$ 112,750	\$11,275
Part-Time	100,000	1,700	177,200	29,533
Inactive	180,000	2,950	726,450	72,645
TOTAL	\$180,000	\$1,100	\$1,016,400	\$39,092

^aThese figures include value of land used in the recreation enterprise.

Land is a fundamental resource for outdoor recreation, but not the only one. The value of land used for recreation accounted for less than thirty percent of the total value of recreation assets on the sample farms (Table 11).

Table 11.--Value of land used for recreation by enterprise type for a sample of farm recreation enterprise owners, Southern Michigan, 1966^a

Enterprise Type	Average Recreation Land Value (Dollars)	Recreation Land Value as Percentage of Total Recreation Assets (Percent)
Golf Course	\$27,550	27.8
Riding Stable	5,938	39.8
Camping Ground	4,680	24.0
Fishing Waters	440	28.4
TOTAL	\$11,289	28.9

^aLand values were calculated for each enterprise based on the current average non-recreational market prices quoted by each respondent for his particular area. The added value of recreational improvements such as golf greens and trailer lots was listed separately under "buildings and improvements" on Page 6 of the interview schedule. Land used primarily for farming but also for recreation (e.g., pasture crossed by a bridle path) was not included as recreation land.

It may also be noted in the above table that riding stables and camping grounds differ substantially in the percentage of total investment represented by land value. These figures indicate a relationship between land value as a percentage of total recreation assets and the intensity of land use. Land accounts for nearly forty percent of the total assets of riding stables where large tracts may be

used only for bridle paths. Land use in camping grounds, however, is much more intensive with lots generally closely spaced. In this case real assets represent less than one-fourth of the total; the bulk of the investment lies in improved lots for tents and/or trailers, including electrical and sanitary facilities.

One additional aspect of recreational land assets needs clarification. The value of land used in the recreation business must be included as part of the total recreation investment from an accounting standpoint. It did not, however, represent any additional capital expenditure by the sample farmers as a whole. There was merely a reallocation of all or part of the existing land resources to the recreation enterprise. Only one respondent found it necessary to gain control of more acreage, and he did so through leasing. This point has an important bearing on credit requirements and will be discussed further in the following section.

Financing Farm Recreation Developments

It had been thought that financing for a farm recreation enterprise would be difficult to obtain, particularly for long term development. Based on the experience of the sample farmers, such does not appear to

be the case. In fact only nine respondents reported using credit to finance their recreation development and just one of those said he had difficulty in obtaining a loan. Several factors appear to be responsible for this finding, not the least of which is the amount of total investment in the recreation enterprise.

As shown previously, land value represents an average of nearly thirty percent of the total investment in a recreation business. It was also pointed out that none of the operators interviewed had purchased any additional land to use for recreation. They thus owned a sizable proportion of the total resources needed to establish a recreation business and thereby minimized the amount of new investment required. While it is possible to purchase one horse or one rowboat at a time out of current income, land must generally be acquired in large acreage blocks for which credit is usually needed. If the costs of land acquisition had been included in the total cost of new investments, it is expected that the incidence of credit use would have been higher than found in this study.

Credit use differed among the respondents according to their farming status. Just one full-time farmer used credit while three part-time and five inactive farmers did so. It might appear that full-time farmers are better

financially prepared to raise investment capital within the firm than either of the other groups, or are somewhat more reluctant to use credit. Actually these data do not lead to such conclusions and it is necessary to look elsewhere for clarification.

The use of credit is actually more closely related to enterprise type than to farming status as shown in Table 12. More golf course developers used credit than any of the others. Three of the riding stables were financed with credit as was one of the camping grounds. None of the operators of fishing waters needed credit to finance this enterprise.

Table 12.--Credit use by recreation enterprise for a sample of farm recreation enterprise owners, Southern Michigan, 1966

Enterprise Type	Total Number	Number Financed with Credit
Golf Course	8	5
Riding Stable	8	3
Camping Ground	5	1
Fishing Waters	5	0
TOTAL	26	9

These facts have an important bearing on the use of credit by full-time as compared to part-time and inactive farmers. Earlier it was shown that six full-time farmers operated either a camping ground or fishing waters, enterprises with a low rate of credit financing.

The need for credit is also dependent upon the total investment involved. It should be recalled that golf courses had the highest average investment and fishing waters the lowest of the four enterprise types. Furthermore inactive farmers had the highest average investment and full-time farmers the lowest.

Commercial banks provided the funds for each of the nine farmers who obtained credit. These farmers as a group apparently had sound operations and a good credit rating since only one reported difficulty in obtaining a loan. He was refused by one commercial bank because of low equity in his real estate, but found another that was willing to make the loan.

Land-Use Adjustments

In addition to supplementing family incomes, farm recreation enterprises were expected to remove substantial acreages of cropland from agricultural production. The fact that the recreation enterprises in this sample were

developed on previously owned farm land was presented earlier. Here the focus will turn to the nature and magnitude of the land-use adjustments which have occurred.

The operators were asked to provide information on the acres of cropland and other⁵ land converted to recreational use only. The resulting data differed noticeably both among farming status groups and enterprise types.

As expected, full-time farmers converted the smallest amount of land to recreation use, both in absolute terms and on a percentage basis. They reported an average decrease in agricultural land of under eleven acres representing less than six percent of their total land holdings (Table 13). More than half of the average decrease was in cropland, but just two farms accounted for all of that. The eight remaining full-time farmers used only other land for recreation, with conversion ranging from ten to two acres.

⁵Other land was defined to include permanent pasture, woodland and wasteland (marsh, dunes, etc.).

Table 13.--Acre and percentage conversion of agricultural land to Recreation Use by Full-Time, Part-Time, and Inactive Farmers for a Sample of Farm Recreation Enterprise Owners, Southern Michigan, 1966.

Item	Average Per Farm			All Farms
	Full-Time	Part-Time	Inactive	
Total Land Operated (acres)	182.3	135.5	135.2	153.0
Original Cropland (acres)	125.6	105.8	101.7	112.0
Cropland Converted (acres)	6.1	33.3	66.9	36.0
Cropland Converted (percent)	4.8	31.5	65.8	32.0
Other Land Converted (acres)	4.5	10.0	25.2	13.8
Total Agricultural Land Converted (acres)	10.6	43.5	92.1	49.5
Total Agricultural Land Converted (Percent)	5.0	32.1	68.0	32.2

Part-time farmers, characteristic of their position both in and out of farming, converted more total land to recreation use than full-time farmers but less than those who have ceased farming. The acreage of cropland converted was nearly five times greater than that among full-time farmers but less than half that reported by inactive farmers. On the average this group committed nearly one-third of their

total land resources to the recreation business, with the range from fifty percent to two percent. The total acreage converted ranged from one hundred acres for a riding stable to three acres for a fishing site.

Inactive farmers as a group have converted over two-thirds of their total land holdings to recreation use. The rate of cropland conversion was nearly sixty-six percent overall, with three operators reporting a one-hundred percent decrease in cropland acreage. The average total conversion was larger for this group than either of the others, but this is undoubtedly related to the higher percentage of golf course operators among inactive farmers.

Land conversion data provided by the sample when summarized by enterprise type as in Table 14 produced no surprises. Golf courses required an average of over one hundred acres although they ranged in size from forty-three acres to over one hundred fifty acres. At the opposite end of the scale were fishing sites which used an average land area of less than three acres in addition to the water area.

Table 14.--Acre and percentage conversion of agricultural land to recreation use by enterprise type for a sample of recreation enterprise, Southern Michigan, 1966

Item	Average Per Enterprise			
	Golf Course	Riding Stable	Camping Ground	Fishing Waters
Total Land Operated (acres)	160.3	127.8	160.0	176.8
Original Cropland (acres)	124.8	87.5	120.0	122.0
Cropland Converted (acres)	87.9	23.9	7.2	0.0
Cropland Converted (percent)	70.4	27.3	6.0	0.0
Other Land Converted (acres)	21.0	13.6	13.5	2.6
Total Agricultural Land Converted (acres)	108.9	37.5	20.7	2.6
Total Agricultural Land Converted (percent)	67.9	29.4	13.0	1.5

If the land use totals listed above may be considered as average requirements for the various enterprises, then the choice of a farm recreation enterprise is vitally linked to the amount of land one is willing to allocate to this use. Indeed the relationship of farming status to enterprise type mentioned several times before is dependent in large part upon the size of the land-use adjustment which is feasible in a given situation.

The establishment of farm recreation enterprises was expected to help solve the surplus problem in agriculture by reducing the acreage devoted to crop production. In the data above, a thirty-two percent decrease in cropland acreage on recreation farms may seem impressive, especially since it occurred during a period in which the average cropland acreage on Southern Michigan farms increased over one percent.⁶ In terms of the total agricultural land acreage within the study area, however, the land-use adjustments resulting from the establishment of farm recreation enterprises are of little importance. When the average acreage conversion for the sample is projected for all 143 recreation farms in Southern Michigan, the estimated total acreage converted from agricultural to recreational use is 7079 acres. This total represents less than one-tenth of one percent of the 1964 total farm acreage in the study area and comprises just one percent of the total decrease in farm acreage in

⁶Richard D. Duvick, "Part-Time Farming in Two Areas of Southern Michigan, 1959 and 1963: Changes and Similarities," Quarterly Bulletin (East Lansing: Michigan Agricultural Experiment Station, August, 1966); XLIX, p.67. The sample had been in the recreation business an average of seven years and most of the land-use changes can be assumed to have taken place since 1959.

that region between 1959 and 1964. The total effect of farm recreation on agricultural land use and production to date has been negligible.

CHAPTER IV

OPERATING A FARM RECREATION ENTERPRISE

Introduction

The preceding chapter dealt with several aspects of establishing a farm recreation enterprise. This chapter will focus on the operation of such an enterprise including labor requirements, income, and its contribution to family welfare. The findings represent an average of seven year's experience in the recreation business. The sample included two enterprises in their first year of operation and two that had been in business for ten years or more.

Labor Use

The addition of a recreation enterprise to a farm business imposes new labor demands upon the owner and his family. Basically the work involved in a recreation enterprise includes the collection of fees, supervision of patrons, maintenance of grounds and equipment, and management functions. The actual labor requirements differ with each enterprise; the farming status of the owner influences his labor contribution and that of his family; both of these factors affect the need for hired labor. The recreation season, furthermore, coincides with the months of highest activity in the productive enterprises, a fact which is

particularly critical to full-time farmers. In any case, labor requirements merit serious attention.

Several respondents indicated that much of the labor on golf courses was devoted to continual maintenance of the course including early morning and late evening irrigation. Such activities are not required in the other enterprises, at least not to the same extent. This probably accounts for the fact that the average hours of labor used on golf courses was much higher than for any other enterprise studied (Table 15). Camping grounds ranked second in annual man-hours of labor used in the recreation business but

Table 15.--Average annual man-hours of labor used in the Recreation business by source and enterprise type for a sample of recreation enterprise owners, Southern Michigan 1966^a

Enterprise Type	Average per Farm				Total
	Owner	Wife	Children ^b	Hired	
Golf Course	1201	1033	257	911	3402
Riding Stable	481	440	588	0	1508
Camping Ground	865	584	177	67	1693
Fishing Waters	244	464	264	0	987
All Enterprises	734	655	345	293	2026

^aAverage length of the recreation season was six months.

^bHours of labor by children are considered here as full man-hours.

required only one-half as much labor as did golf courses. Labor use in riding stables was slightly less than in camping grounds, while fishing waters had by far the lowest labor requirements. The latter was in general characterized by a relatively small volume of business and thus did not demand the services of a full-time attendant; nor were the maintenance requirements as high as in the other enterprises.

Another important aspect of labor use in recreation enterprises is the source of that labor. Unless the recreation enterprise was the only source of family income, the family head could not provide all of the labor himself. In fact as Table 15 illustrates, other family members and in some cases hired workers do contribute many hours of labor to the recreation business.

The contribution of the several sources of recreation labor is shown more clearly in Table 16. Among all the enterprises studied the owner provided over one-third of the total labor required. Other family labor constituted fifty percent of the total with the wife and children contributing thirty-two percent and eighteen percent respectively. Hired labor made up only fourteen percent of the total and provided less than any other single source.

Table 16.--Percent of Total Recreation Labor Contributed by Owner, Wife, Children, and Hired Workers, by Enterprise Type, For a Sample of Farm Recreation Enterprise Owners, Southern Michigan, 1966.

Enterprise Type	Percent Contributed By			
	Owner	Wife	Children	Hired
Golf Course	35	30	8	27
Riding Stable	32	29	39	0
Camping Ground	51	35	10	4
Fishing Waters	25	48	27	0
All Enterprises	36	32	18	14

These data support the assertion that farm recreation enterprises use primarily family labor. This statement is valid if one interprets "primarily" to mean over fifty percent. It holds even if one excludes the owner's labor and compares hired labor only to family labor contributed by the wife and children.

The labor contribution by each source varied considerably among the four enterprises. Golf courses used the highest proportion of hired labor which is probably related to the fact that their total labor requirements were the highest. Camping grounds were the only other enterprises using hired labor, and one of the owners stated that he gave two men camping privileges in return for their part-time services.

Children supplied sizeable proportions of the total labor used in both fishing waters and riding stables. For the latter enterprises, in fact, children provided more labor than either the owner or his wife. In all cases the owner's wife shared a considerable part of the work load and in fishing waters provided nearly one-half of the total labor requirement.

Land-use adjustments were discussed in the previous chapter and at that time reference was made to the importance of such adjustments to the choice of a recreation enterprise. The same argument may be applied to labor requirements. Certainly the farming status and off-farm employment pattern of the farm owner will determine the amount of time he can work in the recreation business, just as the availability and willingness of his wife and children to join in the work will determine their contributions. The availability of reliable hired labor would also be a vital factor in many situations. For example, the labor supply would weigh heavily in making a choice between developing a golf course or fishing waters.

When the data on recreation labor by source are summarized according to farming status as in Table 17, some interesting points emerge. The enterprise owners who were

full-time farmers were able to supply just over one-fourth of the total labor used for recreation. They did not, however, hire extra workers for either full-time or part-time recreation employment, but relied on the other family members to fulfill the additional requirements. During the interviews these farmers as a group appeared very independent and several stated that they would not have entered the recreation business if the family hadn't been able to supply all of the necessary labor.

Recreation enterprise owners with part-time farming operations were able to devote more time to recreation than full-time farmers. They accounted for over one-third of the total recreation labor, but in spite of this they also hired outside labor for seventeen percent of the total. It should be noted that hired labor appears to substitute mainly for children's labor when compared to full-time farms.

Table 17.--Percent of total Recreation Labor Contributed by Owner, Wife, Children, and Hired Workers Among Full-time, part-time, and inactive farmers for a sample of farm Recreation Enterprise Owners, Southern Michigan, 1966.

Farming Status	Percent Contributed By			
	Owner	Wife	Children	Hired
Full-time	26	43	31	0
Part-time	34	31	18	17
Inactive	44	26	8	22
All Farmers	36	32	18	14

Inactive farmers ranked highest in the percentage of recreation labor contributed by both enterprise owners and hired workers. Children were the least important source of recreation labor on these farms. Undoubtedly much of the difference between inactive farmers and the other groups with respect to labor use is related to the high proportion (sixty percent) of these farmers operating golf courses which were shown earlier to have very high labor requirements. In addition, several were older men whose children had grown and moved off of the farm.

Some additional comments about recreation labor are required for a full understanding of the data just presented. One problem which arose during the interviews was that of recording hours of recreation labor contributed by the enterprise owner and his family. Respondents were asked the average number of hours per week each family member spent working in the recreation enterprise; these data were later converted to an annual basis. Some difficulty was encountered in situations where the wife spent several hours each day collecting fees from visitors but was working at household tasks most of the time. Respondents were inclined to count such labor as an eight or ten hour day in the recreation business when the time devoted to recreation was

actually much less than that--often on the order of two or three hours. Children's labor was also a problem in this regard for although they were at home throughout the day not all of their time was spent working or at least not in the recreation business. In all cases the interviewer attempted to probe this question of labor use as thoroughly as possible and to record only the actual hours of recreation labor. There is still reason to believe that some individual labor records are biased upward.

Another criticism that might be raised is the method of recording children's labor as full man-hours. The primary reason for treating children's labor this way was the lack of a suitable discounting factor. An attempt was made during the interviews to uncover major differences in the kinds of tasks performed by the owner, his wife, and his children. Aside from special management functions undertaken by either the owner or his wife, the children were involved in the same activities as their parents--collecting fees, cleaning boats, caring for horses, etc., according to the type of enterprise. Furthermore, the respondents were unwilling to discount the labor of their children and seemed to value their contributions as equal or superior to those of hired workers.

Recreation Contributions to Family Income

Farm recreation enterprises were merely supplementary sources of income for the sample as a whole. The income from recreation represented less than twenty-six percent of the total family income for fourteen of the twenty-six operators interviewed and between twenty-six and forty-five percent for an additional ten operators (Table 18).

Table 18.--Distribution of recreation income as a percentage of total family income among full-time, part-time, and inactive farmers for a sample of farm recreation Enterprise Owners, Southern Michigan, 1966.

Farming Status	Recreation Income as Percentage of Total					
	5-15	16-25	26-35	36-45	46-95	100
	Number of Farmers					
Full-time	7	1	1	1	0	0
Part-time	1	1	2	2	0	0
Inactive	2	2	2	2	0	2
TOTAL	10	4	5	5	0	2

It is interesting to note that none of the respondents derived over forty-five percent of his total family income from recreation unless it was his sole means of support. For those who engaged in farming and/or off-farm employment, recreation income did not exceed or even equal that from other sources. The fact that two operators did report

recreation as their only source of income indicates that a farm recreation enterprise can provide adequate financial support in some cases. It may be that the farm or off-farm work load of the other operators necessarily restricts both the scale of the recreation enterprise and its income potential. In some types of recreation enterprises, however, the marginal return to labor would be less than in farm or off-farm employment. Perhaps when the volume of recreation business can provide over fifty percent of a family's total income it is profitable to devote full time to recreation.

For most of the full-time farmers in the sample, recreation was a minor adjunct to their farm business. Recreation income accounted for less than sixteen percent of the total family income on seven of the ten full-time farms. In no case did recreation provide over forty-five percent of the family's total income.

Part-time farmers as a group received a slightly greater proportion of their total family income from recreation. Four of the six part-time farmers reported recreation income of between twenty-six and forty-five percent of the total, but again in no case did recreation contribute over forty-five percent.

Inactive farmers were evenly distributed on the percentage of total family income derived from recreation.

This group included both respondents who obtained all of their income from recreation. One of these operated a golf course and the other a camping ground and had been in business for three and five years respectively. Each was satisfied with his business success and felt secure with just the one income flow. It should be noted, however, that both operators had been established farmers for an average of twenty-two years previous to entering the recreation business and were able to finance their developments without the use of credit. In addition neither operator was supporting any children since in each case they were all living in homes of their own. There is good reason to suspect that these factors were vital in the decision to develop a recreation enterprise as the sole source of family income.

Other Sources of Family Income

For all but two of the operators in this study recreation provided less than forty-six percent of their total family income. ~~What was~~ their major means of support? In eleven cases it was the farm operation and for the remaining thirteen it was off-farm employment (Table 19).

Table 19.--Major source of family income for full-time, part-time, and inactive farmers for a sample of farm recreation enterprise owners, Southern Michigan, 1966^a

Farming Status	Number of Farmers Reporting This Major Income Source		
	Farm	Off-Farm	Recreation
Full-Time	10	0	0
Part-Time	1	5	0
Inactive	0	8	2
TOTAL	11	13	2

^aBased on 1965 Income

By definition full-time farmers did not work off the farm over 100 days annually, but none of the respondents in this group reported any off-farm work. Their major source of family income was the farming operation and in only one case did the recreation enterprise contribute as much as forty-five percent of the total.

Part-time farmers did work off the farm over 100 days per year and all but one family reported the off-farm job as their major income source. The exception was a father-son partnership in which the son worked off the farm for several months each year and contributed about thirty percent of the family's income while the farm produced about

fifty-five percent of the total. Off-farm employment provided from fifty-five to seventy percent of the total income for the five other respondents in this group with farm income representing from fifteen to twenty-five percent of the total.

The eight inactive farmers with more than one income source obtained between sixty and ninety-five percent of their total income from an off-farm job. Only one of these reported any farm income and it represented less than fifteen percent of the total.

From the sample as a whole there is no clear indication that recreation enterprises are more likely to occur on part-time farms than full-time farms or vice versa. Such enterprises are apparently consistent with both full-time farm work and off-farm employment. Of the two operators with income solely from recreation, one had been a full-time farmer and the other a part-time farmer; so here, too, no clear relationship between farming status and the development of a full-time recreation business emerges. It seems that farmers, regardless of their status, can enter the recreation business. The type and scope of the enterprise is more closely related to some of the factors discussed earlier such as land and labor requirements, farm resources, and family goals.

Recreation Income

While a detailed income analysis of each recreation enterprise was beyond the scope of this investigation, recreation income data are of some interest and importance. For this reason operators were asked to provide gross and net income totals for the 1965 season. For two businesses 1966 was the first year of operation and two operators refused to disclose income figures, so the results reported below are the averages for twenty-two enterprises.

The enterprises studied took in \$7,348 in 1965 and had net cash income of \$2,854. (Table 20). After subtracting charges for family labor and interest on investment, operator's labor income was \$106, or about \$0.17 per hour. When the operator's labor was valued at \$1.50, investment in the recreation enterprise earned 2.5% in 1965.

There were notable differences among enterprise types with respect to recreation income. Golf courses had the highest cash expenses. Even so, net cash income was \$6,580. The operator's labor income, however, was a negative figure (Table 20). This appears to be due primarily to an imbalance between business volume and total investment, a situation which should be expected in the early stages of a golf enterprise.

Table 20.--Recreation income statement by enterprise type for a sample of farm recreation enterprise owners, Southern Michigan, 1966.

Item	Golf Course	Riding Stable	Camping Ground	Fishing Waters	All Enterprises
Number of enterprises ^b	5	8	4	5	22
Cash receipts	\$19,700	\$5,618	\$3,725	\$660	\$7,348
Cash expenses ^c	13,120	3,068	1,863	250	4,494
Net Cash Income	6,580	2,550	1,862	410	2,854
Unpaid family labor ^d	2,202	1,028	804	728	1,058
Net recreation income ^e	4,378	1,522	1,058	-318	1,769
Interest on investment @5%	5,250	745	999	78	1,663
Operator's labor income	- 872	777	59	-396	106
Value of operator's labor ^f	1,644	721	1,180	366	939
Return to investment	2,734	801	- 122	-684	830
Rate earned on investment	2.6%	5.4%	-0.6%	-44.1%	2.5%

^aRecords are for the 1965 recreation season.

^bIncludes only those enterprises which supplied complete income data.

^cCash expenses include wages for hired labor.

^dIncludes labor of wife and children, both charged at \$1.00 per hour.

^eAdequate data on inventory change were not available from the sample. Therefore net income as reported here differs from the "true" value by the amount of the inventory change. Had this figure been taken into account, it is expected that net recreation income would be somewhat greater for each of the four enterprises.

^fOperator's labor charged at \$1.50 per hour.

Unlike the other enterprises in which horses, camp lots, or boats can be added as business volume grows, a golf course requires that the total investment in course, clubhouse, and equipment be essentially completed before any patrons can be served. Once the course is opened it takes some time for its reputation to become established among area golfers and for a clientele to be built up. The golf courses studied had been open an average of less than four years, so it can be expected that business will continue to grow in the next few years and that returns will improve. Such expectations, however, are based on the demand picture outlined in Chapter II for Southern Michigan as a whole. As in the other enterprises, future returns to an individual operator will depend basically on his managerial ability and the local market.

Riding stables were the only enterprises studied which showed good returns in 1965. With cash receipts of \$5,618, and net cash income of \$2,550, operator's labor income averaged \$777, or \$1.62 per hour. The rate of return on investment was 5.4% (Table 20).

Camping grounds took in \$3,725 and had net cash income of \$1,862. Operator's labor income was only \$59, or less than seven cents per hour. This enterprise required

a total labor contribution on the part of the operator which seems out of proportion to its business volume when compared to the other enterprises. When operator's labor was charged at \$1.50 per hour, the return to investment fell to -\$122.

Fishing waters had a very low business volume, with cash receipts of only \$660. Cash expenses were proportionally lower than in the other enterprises and net cash income averaged \$410. Family labor, as previously discussed, presented some problem during the interviews. This is believed to be one reason for the fact that net recreation income is a negative value. Some re-evaluation of labor use in these enterprises by both operators and researchers is called for.

Income Data Problems

Some problems need attention before further work is done in this area. One has already been presented, namely the accuracy of family labor records. A related issue is that of the wage rate for family labor. Is it realistic to make a charge for unpaid family labor based on the current minimum wage when in most enterprises even hired workers would not be covered by the present legislation? If the minimum wage is not charged, what rate should be

used--their expected wage in alternative employment? For both housewives and children this may be zero. And while all respondents kept separate recreation records for tax purposes, these were not always complete enough to provide for a detailed income analysis. Adequate records of inventory change were missing in many cases. The income statement in Table 20 is therefore incomplete and would benefit from revision when better records become available. Some attempt could also be made to more accurately calculate recreation investment totals in cases where resources are used in two enterprises. There are undoubtedly other areas of concern that could be mentioned, but this list makes clear that more research is needed to resolve the many uncertainties.

Plans for the Future

When questioned about the future of their recreation business most respondents were quite optimistic, but their actual plans for the future differed considerably.

Only nine of the twenty-six owners planned to expand their recreation enterprise. This group included two full-time farmers, and five inactive farmers. No expansion was planned by operators of fishing waters but three owners in

each of the other enterprise categories did report expansion plans including one of those for whom recreation was already the sole income source. The desire to increase their income by offering more complete recreational services was the major reason for expansion given in all cases.

Expansion of five enterprises was planned to proceed slowly as returns from the business allowed. Four other owners expected to use commercial bank credit to further their business development more rapidly.

Seven respondents definitely expected the recreation business to develop into their major source of family income and thought this would occur in a range of two to six years. This group was comprised of five inactive farmers, one part-time farmer, and one full-time farmer. All were owners of a golf course or riding stable. Of these seven, two inactive farmers expected their golf course to develop into their sole income source and one part-time farmer expected the same of his riding stable. None of these three, however, were sure when that would occur.

From these responses it is clear that in some cases a farm recreation enterprise can be developed to the point where it can replace farming or off-farm employment as the major source of family income. Less than one third of the

sample, however, indicated that this would occur. For the majority of the farm recreation enterprise owners in Southern Michigan, recreation will continue to merely supplement the income from other sources.

CHAPTER V

SUMMARY AND CONCLUSIONS

In recent years there has been considerable interest and activity in the business of farm recreation. Most of this was precipitated by the new policy set forth in the Food and Agriculture Act of 1962 to encourage the establishment of private outdoor recreation facilities in rural areas. To those concerned with the agricultural problems of overproduction and poor land utilization, this was visualized as an efficient means of taking resources out of agricultural production. At the same time, it was hoped, the farmer would receive an income sufficient to enable him to stay on the farm while providing recreation facilities to meet the ever increasing demand.

In the years since that policy was announced and implemented many farmers have started a recreation enterprise on their farm. How many Michigan farmers have done so? Have important changes in land use occurred? How have farm incomes been affected? These are important questions that have previously been unanswered. The purpose of this study has been to examine these and related aspects of this new farm business.

The thirty-eight southern counties of Michigan comprised the study area for this investigation. The population of farm recreation enterprise owners was identified from data provided by the State Soil Conservation Committee with the assistance of SCS personnel in the various soil conservation districts. The population was stratified by enterprise type with golf courses, riding stables, camping grounds, and fishing waters ; selected for analysis.

Interviews were conducted in twelve counties during August and September 1966. Twenty-eight operators were contacted and twenty-six complete schedules were obtained. Respondents included full-time, part-time, and inactive farmers who provided information on family and hired labor, acreages and land-use patterns, family income, and recreation investments and returns. The respondents also told why and how they entered the recreation business and outlined their plans for the future.

In Chapter I several specific areas of concern were outlined for study. Each was treated in subsequent chapters, but will be reviewed here along with the major conclusions.

Farm recreation enterprises in Southern Michigan number 143 and comprise about one-sixth of all private outdoor recreation enterprises in the region. While the total percentage is small, farmers own over thirty percent of all hunting areas, shooting preserves, and riding stables, all of which are fairly easy for farmers to develop. In addition farmers operate over twenty percent of all fishing waters, camping grounds, and field sports areas.

Several farm recreation enterprises have been in operation for ten years or more, but recreation did not receive widespread attention as a new farm income source until the early 1960's. This is undoubtedly the reason that farmers, although they own a large proportion of the total rural land, represent only a small part of the outdoor recreation industry. The number of farm recreation enterprises is increasing at a higher rate than is the non-farm sector. It is too early to know if this is a growing trend among farmers or still a result of the initial enthusiasm for which governmental policy was the catalyst. The success or failure of today's recreation farmers will strongly influence the development of second and third generation farm recreation enterprises and

ultimately decide the contribution of the farm sector to the supply of outdoor recreation facilities.

The development of a recreation enterprise did not affect the off-farm employment pattern of farmers in the sample. Full-time farmers did not seek off-farm employment either before or after they entered the recreation business. All part-time and inactive farmers who did have an off-farm job had been so employed even before their recreation enterprise was established. Thus recreation alone is not a factor in shifting farm owners from farming to off-farm employment. For those with an off-farm job initially, a recreation enterprise may be developed into a substitute for the farming operation.

Farmers had little difficulty in financing their recreation enterprise. The majority of them developed slowly with new investments covered by current income. The fact that the farmers were not required to purchase additional land substantially minimized the total cash outlay needed to establish a recreation enterprise and is responsible in large part for the low incidence of credit use. Only nine respondents did use credit, and all obtained the needed amount from a commercial bank.

Although recreation was responsible for major land-use changes which occurred on some farms, the establishment of farm recreation enterprises has not substantially affected the total land-use pattern in Southern Michigan. Among farm recreation enterprise owners there was a thirty-two percent decrease in agricultural land due to shifts in land use from farming to recreation. Full-time farmers converted only five percent of their land to recreational uses. This proportion was considerably higher among part-time and inactive farmers, representing approximately one-third and two-thirds of their respective land holdings. When the sample data on land-use changes are projected for the 143 farm recreation enterprises in the study area, the farm acreage now used for recreation represents less than one-tenth of one percent of the total farm acreage in that region. The total estimated decrease in farm land due to farm recreation accounts for only one percent of the total decrease in farm land in Southern Michigan between 1959 and 1964.

While the reallocation of land and capital resources from farming to recreation caused few problems, labor was a critical factor in many cases. Labor requirements are high in most enterprises and the recreation season coincides with the busiest months on a farm. Yet the farm

family provided all of the labor in the large majority of the businesses studied. Hired workers accounted for an average of only fourteen percent of the recreation labor and were employed by only five operators. Several respondents expressed dissatisfaction with the long days and busy weekends that accompany a recreation business. These findings indicate that a realistic appraisal of the labor requirements and the family's ability and willingness to meet them should be weighed heavily by anyone contemplating a farm recreation enterprise.

A recreation enterprise in general provided only supplementary income to the farm family. It was the sole source of income for just two operators. In the other twenty-four cases it provided less than forty-six percent of the total income with farming or off-farm employment as the major family income source. Although seven respondents did indicate that the recreation enterprise would develop into their major income source sometime in the future, the majority of farmers will continue to view recreation as a complement to and not a substitute for other employment. This point is also important in the planning stages of a recreation enterprise since in most cases the owner will continue to devote most of his labor

to the farm or an off-farm job. Unless other family members and/or hired labor can do most of the work, this will limit the size of the recreation business. When expanding an existing business with the hope of its becoming the sole income source, the operator faces the problem of reallocating labor and capital resources while maintaining the income from other sources. This is similar to the dilemma of the part-time farmer who strives to expand his farming operation into a full-time business. The lack of success among part-time farmers in this regard is likely to be matched by the record of recreation farmers.

In addition to answering these specific questions, the study provided insights into several more general characteristics of farm recreation enterprise owners. Among these are the reasons for entering the recreation business, the types of farms on which recreation enterprises are found, assistance obtained by farmers, and recreation investments.

The prospect of additional income influenced most farmers to enter the field of recreation, but this was not the only motive. Some farmers wanted their children to work in the enterprise to develop responsibility and earn spending money. Others had become inactive from

farming but wanted to stay on the farm and make use of their land. A few riding stables grew out of a hobby of raising horses. Such goals were not emphasized or often not even mentioned in the early literature on farm recreation while the income potential was given most of the attention. It has been shown, however, that in practice family income is not greatly affected by recreation receipts. More attention should be given to other possible benefits (and problems!) resulting from the establishment of a farm recreation enterprise.

No single type of farm seems particularly adapted to recreation. The sample included dairy, beef, field crop, fruit, truck, general, and horse farms in approximately the same proportions as those farm types are found within the study area. Nor are recreation enterprises indigenous to "marginal" farms. Few if any of the part-time or inactive farms might have been so classified and ten of the twenty-six farms were fairly large-scale, full-time operations. So while recreation has been stressed as an aid to the low-income farmers, these data suggest that most of the farm recreation enterprises in Southern Michigan have been developed by progressive farmers with either a strong farming program or a good off-farm job.

Where is the true low-income farmer to whom recreation income would mean a great deal? It appears that he is being outclassed in the recreation business just as he was in farming.

Even upon entering the new field of outdoor recreation few farmers sought professional assistance in planning and operating their enterprise. In fact farmers obtained help from friends and neighbors more frequently than from one of the several governmental agencies that have assistance responsibilities to rural recreation developers. The type and complexity of the enterprise, of course, would determine the assistance that would actually be needed, and in most cases the farmers felt well qualified to proceed on their own. Past contacts with governmental agencies undoubtedly influenced some farmers, either positively or negatively.

Sizable investments have been made in farm recreation. Recreation assets for the sample averaged nearly \$40,000 per farm, including the value of farm land used in the recreation enterprise.

One question related to recreation investments is worthy of further comments. Are the marginal returns to labor and capital in the recreation enterprise greater than or at least equal to those in the farming operations?

The sample was not questioned specifically about this, but financial records and recreation returns were discussed. Several respondents gave the impression that no detailed enterprise analysis had been carried out and there is good reason to believe that few if any have faced the question of equi-marginal returns objectively. Many Michigan farmers could use additional capital with profit. The full-time farmers in this study had an average of over \$11,000 invested in their recreation enterprise which in some cases at least may have been better invested in the farming operation. Since farming is the major source of income for this group, they especially need to be aware of the opportunity cost of a recreation enterprise.

The details of recreation income analysis are worthy of further consideration and could form the basis for a completely new study of farm recreation. There has been sufficient interest and financial commitment to this farm enterprise to warrant further research. Indeed those who encouraged farmers to enter the recreation business now have an obligation to assist them with whatever special knowledge and skills are needed to insure success--or at least to minimize losses.

Additional effort could be put to the problem of record keeping that was mentioned by several operators. Some interest was expressed in the Telfarm record system, but some assistance is needed to help farmers adapt it to a recreation enterprise.

The question of advertising was not probed in this study, but this needs examination to determine the effectiveness of various types of publicity. This could be expanded into a market study to find out what types of people use private recreation facilities and where they come from. This information would have some applications for public recreation agencies as well.

Another interesting and revealing study could deal in greater depth with some of the characteristics of farm recreation enterprise managers. The motives and methods of these individuals were not covered in this study as fully as is desirable.

These few points are only some of the many unknowns within this new farm business. This investigation will hopefully lead to further work in this area.

APPENDIX A
DEFINITIONS OF TYPES
OF
RECREATION ENTERPRISES

APPENDIX A

Definitions of Types of Recreation Enterprises^a

A. Cabins, Cottages, and Homesites

Vacation or permanent living space in a recreation area rented or owned by recreationers or lived in because of the recreation opportunities; includes group "camps" that use permanent buildings. Activities usually include:

1. Rural living-Standard facilities are lodging (equipped, including for cooking), access roads, parking areas, electricity.
2. Enjoying scenery (See G)
3. Nature observation (See G)
4. Water sports (See K)
5. Fishing (See D)

(Note: Normal requirements for drinking water and sanitary facilities are assumed throughout.)

B. Camping Grounds

Areas for tent, trailer, or pack camping, including transient camping. Activities may include one or more of the following:

1. Tent camping at a vacation site. Standard facilities include access roads, parking space, cooking and eating facilities, trash disposal.
2. Trailer park camping at a vacation site. Standard facilities include access roads, trailer and car parking space, cooking and eating facilities and trash disposal.

^aAdapted from National Association of Soil and Water Conservation Districts, "Guide to Filling Out Inventory of a Private Recreation Business." (Unpublished guide to accompany inventory worksheets), NACD Press, January, 1965.

3. Transient trailer camping. Usually on or near a main highway. Standard facilities include parking space, electricity, and showers.
4. Pack camping in a wild or wilderness area, including horseback riding, nature observation, enjoying scenery, and fishing. Standard facilities are guide service, riding horses, and camping equipment.

C. Field Sports Area

Developed areas for concentrated play activities other than in water. This includes children's "day camps." These may include various combinations of the following activities:

1. Competitive games: Standard facilities would include diamonds, courts, tracks, lights, stands, refreshments stand, and game equipment.
2. Archery: Standard facilities include practice butts, and one or more field courses of 14 targets each with paths and backstops.
3. Target Shooting with rifle, pistol, or shotgun. Standard facilities include skeet and trap layouts, ranges with backstops.
4. Bicycling: Standard facilities are paths and equipment rental.
5. Go-cart racing: Standard facilities include track and vehicles.
6. Children's play activities such as swinging, sliding, climbing, riding, puttering. Standard facilities may include swings, slides, gyms, mechanical rides, sandboxes.
7. Picnicking: Standard facilities are tables, benches, and fireplaces.

D. Fishing Waters

Water areas having good fishing, owned by or with access to by the operator. Activity is usually one of the following:

1. Lake, bay, river, or ocean fishing. Standard facilities include boats, ramps, docks, bait, tackle, and supplies.
2. Pond fishing. Standard facilities include either fertilized waters or stocked fish, row boats, bait.
3. Stream fishing. Standard facilities include access roads or trails.

E. Golf Courses

Courses with fairways and greens for one or more of the following:

1. Standard 9-hole or 18-hole golfing. Standard facilities include clubhouse with lockers, caddie service.
2. Par-3 golfing. Standard facilities are only the course.
3. Driving practice. Standard facilities include equipment, supplies, flood lights.
4. Putt golfing. Standard facilities for practice putting is a green and equipment; for a "miniature golf course," equipment, supplies, and flood lights.

F. Hunting Area

An area of land or land and water for hunting wild game, including one or more of the following:

1. Small game hunting. Standard facilities are access, parking lot, protection against illegal trespass.
2. Big game hunting. Standard facilities include access, parking lot, protection against illegal trespass, lodging, meals, access roads and trails.
3. Waterfowl hunting. Standard facilities include access, parking lot, protection against illegal trespass, blinds or pits.

G. Natural, Scenic and Historical Areas

Areas of exceptional scenery, fauna or flora, geological or mineral interest, or historical

significance. One or more of the following activities may be involved.

1. Enjoying scenery. Standard facilities may include combinations of roads, trails, vistas, and overlooks.
2. Nature observation, as on wildlife areas, plant gardens, distinctive geologic formations. Standard facilities may include combinations of roads, trails, walkways, interpretation equipment, guide services, and landscaping for display of plant, animal, and mineral resources.
3. Hiking. Standard facility is a system of trails.
4. Camping. (See B).
5. Rock hounding. Standard facilities include access to mines or mineral deposits.
6. Historical sites visiting. Standard facilities are access to a restored or preserved site of historical importance with the objects and equipment of the period.

H. Riding Stable

An area for the use of horses or other riding animals for recreation, and their housing.

1. Horseback riding. Standard facilities include horses, tack equipment, trails, and corrals.
2. Pony riding. Same as above but for small children. Standard facilities also include rings and attendant.
3. Riding animals other than horses and ponies. Standard facilities are corrals and guides.
4. Carriage and sleigh riding. Standard facilities are vehicles and horses with drivers.

I. Shooting Preserve

An area devoted to the shooting of pen-reared game birds. Activity number one below is the core of the business.

1. Controlled shooting of stocked game birds. Standard facilities are pen-raised game birds, guide service, pointing dogs.

2. Target shooting. (See C)
3. Picnicking (See C)

J. Vacation Farm or Dude Ranch

A rural area operated as a working or simulated farm or ranch that rents vacation living accommodations. It will have activity number one below, plus one or more of the others below:

1. Rural living. (See A) Standard facilities also may include farm or ranch activities, such as haying, milking, rounding up cattle, etc.
2. Horseback riding. (See H)
3. Fishing. (See D, especially D-2)
4. Playing games. (See C) Other standard facilities may include, for indoor games, tables, chairs, cards, dart boards, and the like.
5. Picnicking. (See C)

K. Water Sports Area

An area of water suitable for swimming or boating either controlled by or with access to by the operator. The enterprise usually centers around either swimming or boating as the main activity.

1. Swimming. Standard facilities may include beach, bath house, and diving boards, platforms and floats.
2. Boating and water skiing. Standard facilities include ramps, boats, supplies.
3. Skin diving. Standard facilities include boats and special equipment.
4. Picnicking (See C)
5. Camping (See B)
6. Playing games (See C)

L. Winter Sports Area

An area developed for snow and ice-using sports. Skiing is usually the main activity.

1. Skiing. Standard facilities usually include designed slopes for novices and experts, lifts, clubhouse.

2. Ice skating. Standard facilities include lighting and warming room.
3. Tobogganing. Standard facilities are a designed slope and toboggans.
4. Sledding. Standard facilities are a designed slope and sleds.

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APPENDIX B

INTERVIEW SCHEDULE

APPENDIX B.--Interview Schedule
Michigan Agricultural Experiment Station
Department of Agricultural Economics

Rural Recreation Enterprise Research Project

Interview code no. _____

I. Business Organization

A. Farm Business

1. In the year 1965 did your business produce crops and/or livestock products whose total sale value was \$2500 or more?

Yes _____. No _____.

(Ask only if "Yes" answer to question 1 above)

2. What is your major farm enterprise today? (check)

- | | | |
|---------------------|-------------------------|---------------------|
| 1. ____ Dairy | 5. ____ Hogs | 9. ____ Fruit |
| 2. ____ Field crops | 6. ____ Sheep and lambs | 10. ____ Vegetables |
| 3. ____ Beef cattle | 7. ____ Eggs | 11. ____ Other |
| 4. ____ Calves | 8. ____ Poultry | |

3. What other production enterprises are carried out on your farm?
(Record No. from list above) _____, _____, _____, _____.

(Ask only if "No" answer to question 1 above)

4. What was your major farm enterprise before you discontinued farming?
(Record No. from list above)

5. In what year did you last sell crops or livestock products whose total value was at least \$2,500? 19____.

6. What were the major reasons behind your decision to discontinue farming?

(All the following to be asked of all respondents)

7. How many years had you been farming before starting a recreation business?
_____ years.

8. In any year since 1955 have you ever worked full time off the farm for 100 days or more?

Yes ____.



No ____.
→ go to question 9.

8a. Were you working full time off the farm for 100 days or more at the time you started your recreation business?

Yes ____ . No ____ .

8b. At the time you started your recreation business, was your major source of family income:

____ sale of farm products?

____ off farm employment?

9. In 1965, which of these contributed the greatest share to total family income:

% share

→ ____ recreation business? ____
____ sale of farm products? ____
____ off farm employment? ____

←(if blank)

9a. Then you regard the income from recreation as only a supplement to your major source of family income?

Yes ____ . No ____ .

←(if blank)

9b. Do you expect your recreation business to develop into your

1. main source of family income? Yes: ____ years No ____ .

2. sole source of family income? Yes: ____ years No ____ .

←(if checked)

9c. Is the recreation business your sole source of family income?

Yes ____ Go to question B1. No ____

9d. Do you expect the recreation business to develop into your sole source of family income? Yes: ____ years No ____ .

B. Recreation Business

1. What is your major recreation enterprise?

1. ____ cabins, cottages

5. ____ golf course

9. ____ shooting preserve

2. ____ camping ground

6. ____ hunting area

10. ____ vacation farm

3. ____ field sports area

7. ____ scenic, historic area

11. ____ water sports

4. ____ fishing waters

8. ____ riding stable

12. ____ winter sports

2. In what year did you begin to plan your recreation business? 19 ____ .

3. In what year did you first open your recreation to the public? 19 ____ .

Office use: Yrs. from plan to opening: ____ ____

4. Have your initial plans for the recreation business been completed:

Yes ____ , in 19 ____ . No ____ , they will be completed in 19 ____ .

Office use: Yrs. from plan to completion ____ ____

5. What were the major reasons behind your decision to start a recreation business?

6. Did you seek planning assistance in developing your recreation business, and if so, what sources provided the most help?

<input type="checkbox"/> SCS	<input type="checkbox"/> chamber of commerce
<input type="checkbox"/> FHA	<input type="checkbox"/> sportsmans clubs
<input type="checkbox"/> ASCS	<input type="checkbox"/> recreation association
<input type="checkbox"/> Coop. Exten. Service	<input type="checkbox"/> local businessmen
<input type="checkbox"/> Friends and neighbors	<input type="checkbox"/> other _____
	<input type="checkbox"/> other _____

7. Were you able to obtain adequate credit for the development of your recreation business? Yes _____. No _____. Not needed _____.
(go to question 12.)

8. What institutions did you contact for credit? (check)

<input type="checkbox"/> FHA	<input type="checkbox"/> commercial bank
<input type="checkbox"/> FLBA	<input type="checkbox"/> savings and loan
<input type="checkbox"/> PCA	<input type="checkbox"/> friend or relative

9. Which of these were most willing to make a loan for a recreation enterprise?
(place x in blank above.)

10. Which of these refused to make a loan for a recreation business?
(place "O" in blank above.)

11. What major reasons did they give for refusal?

12. Do you plan to expand your recreation business in the near future?

Yes ____.

No ____ → go to II



12a. What are some of your reasons for wanting to expand?

12b. Will you have to obtain credit for this expansion?

Yes: long term ____.

No ____ → go to II

short term ____.

12c. Where will you probably obtain the needed amount?

III. Land Ownership and Use

A. Ownership

1. How many acres do you own? None ____ Acres ____.

1a. How much of this acreage is used for recreation? None ____ Acres ____.

2. How many acres do you rent from others? None ____ Acres ____.

2. How much of this acreage is used for recreation? None ____ Acres ____.

3. How many acres do you rent to others? None ____ Acres ____.

Total acres operated ____.

B. Changes in land use. I would now like to ask you some questions about land use before and after the addition of a recreation enterprise to your farm.

	Before*	After (1965)
1. Acres of cropland a) owned	_____	_____
b) rented	_____	_____
c) total	_____	_____
2. Acres of a) feed grains	_____	_____
b) other field crops	_____	_____
c) vegetables	_____	_____
d) fruit	_____	_____
e) other (specify)	_____	_____

3. Acres for recreation XX

4. Did you buy or rent any additional acreage to use in your recreation business? Yes. buy acres No .
rent acres

5. How many acres of cropland have you converted to recreational use only? acres. None .

6. How many acres of pasture have you converted to recreational use only? acres. None .

7. How many acres of cropland or pasture are used for both farming and recreation? acres. None .

8. Do you plan to buy or rent any additional land for recreational use in the near future? Yes ; Buy acres No .d.k. .
Rent acres

9. Do you plan to convert any additional cropland or pasture to recreational use in the near future?
Yes . cropland acres. No . d.k. .
pasture acres.

III. Labor Requirements

1. How many months per year is your recreation business in operation?
 months; full operation months.

2. Do you hire any non-family labor for work exclusively in your recreation business?

Yes . No → go to question 3.
2a. full time men @ total man hours per week
2b. part-time man @ total man hours per week

3. Do you hire any non-family labor for work both in the farm and recreation business?

Yes . No → go to question 4.
3a. full time men @ total man hours per week
in the recreation business.
3b. part-time men @ total man hours per week
in the recreation business.

4. How many hours per week do you and members of your family work in the recreation business?

	Total hours per week
husband	<u> </u>
wife	<u> </u>
children (number <u> </u>)	<u> </u>

IV. Income and Expenses

1. Do you keep accounts of annual income and expenses for your recreation business? Yes _____. No _____.

2. What were your income and expense totals for the recreation business in 1965 and the latest three year average (if applicable)?

	Gross Income	-	Cash expenses	=	Net Income
1965	_____		_____		_____
3 yr. avg.	_____		_____		_____

3. What is your total investment in the recreation enterprise alone?

a. land (acres _____ x \$/acre _____)	_____
b. buildings and improvements	_____
c. livestock and/or stocked game	_____
d. equipment	_____
e. other (specify) _____	_____
Recreation Total	_____

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