

## **Turn Your Ranch's Wildlife Into an Asset**

By Jim Knight, MSU Extension Wildlife Specialist (retired)

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Ranchers often look at wildlife as a liability and as an obstacle to maximizing economic efficiency on a ranch. We recognize that in some cases, big game compete with livestock for available forage, cause damage to haystacks, damage fences and, in general, provide challenges for ranchers. But maybe we should look at potential ways to make wildlife a positive part of a ranch operation rather than a negative part.

### **Hunting Access Programs**

Several states have programs to provide economic incentives to landowners who allow public hunting on their ranches. If a landowner needs to have big game populations managed, hunting is the most logical management tool available. Payment for allowing public access for hunting can be significant. In Montana, legislative action in 1995 increased the amount of payment a landowner can receive up to \$8,000. Montana's program is called Block Management.

Some landowners are discouraged from participating in Block Management because the landowner feels that public hunting may get out of hand. It's important to recognize that this public access program can be tailor-made for your operation. If you feel a limited number of hunter days is desirable, this may be a part of your agreement. If you feel you would like the hunters to contact you directly, this can also be a part of the agreement. Take time to discuss with Fish, Wildlife and Parks just what your payment would be for the particular hunting program you would allow.

### **Conservation Easement**

The utilization of conservation easements as an incentive for landowners to provide wildlife habitat is not new. Conservation easements have, however, generated more interest recently because wildlife agencies realize that many of the interests of the landowner are compatible with the interests of the wildlife habitat manager. Many landowners do not realize the significance of payment that can be made for entering into a conservation easement, nor do they realize the flexibility that can be incorporated into the agreement.

It is important to recognize that just as an oil or power line easement on a deed is permanent, so is a conservation easement. A conservation easement is attached to the deed and provides for certain restrictions as to how the land is utilized in the future. If a landowner is concerned that the ranch will be worth less in the future, then payment for the easement should be invested to make up the difference in net worth.

Most conservation easements are designed to keep the land from being subdivided. Payment for the conservation easement is usually based on how much the value of the property would be reduced if it could not be subdivided versus what developers would be willing to pay for the land at the present time. Most conservation easements not only

allow, but encourage that present agricultural practices continue. For some landowners the attractiveness of a conservation easement is that the land will be guaranteed to stay in the use it is in today. Traditional producers who have been on a ranch for many years are sometimes attracted to a guarantee that the ranch will stay in one piece.

Many landowners are concerned that participation in a conservation easement will open their land to the public. It is important to recognize that the terms of a conservation easement are entirely negotiable. If, for example, a landowner desires that only limited hunting be allowed on the ranch, this is something that can be put in the easement. If the landowner wants only hunters selected by them to be on the ranch, again this is something that can be put into the agreement.

Some landowners are concerned that entering into a conservation easement agreement will prevent their heirs from being able to live on the ranch and have a homesite. Again, a great deal of flexibility is allowed in the conservation easement, and areas can be designated for future homesites or potential homesites.

There have been some situations in which the presence of a conservation easement attached to a deed actually increased the value of the land. Much of the interest in land purchased in the West are from people oriented toward conservation. The attachment of a conservation easement will often make the land more attractive to these types of buyers.

The amount of payment is dependent on the value of the land as wildlife habitat and – to a certain extent – the potential for that land to be developed in the near future. Some situations have resulted in land areas as small as 5,000 acres being placed into conservation easements for payments as high as \$1.5 million. In other areas where the wildlife habitat values are not as significant, the payments may be significantly less. The highest payments are for large portions of land providing critical habitat in areas sought for development.

### **Leasing to Outfitters**

Many landowners lease their hunting to outfitters. This can be a significant source of income. If the right outfitter is utilized, this practice can result in sound wildlife management incorporated into ranch management needs. However, the price an outfitter pays the landowner will be significantly less than what the outfitter will charge hunters. Studies have shown that most of the price a hunter will pay is dependent upon the services provided. These services are what the outfitter provides. A landowner should receive 10 to 50 percent of what the outfitter charges a hunter. This percentage will depend on what the landowner provides and the demand for the ranch's hunting opportunities.

If a rancher is considering deriving income from wildlife resources through the use of an outfitter, it is important that the landowner interview and discuss the situation with several outfitters before a decision is made. It is also recommended that the initial contract with an outfitter be for one or two years so that the landowner will have the option of ending the relationship if the program is not working out. Once it is established that the outfitter is providing for the needs of the landowner, a longer term contract may be desirable so that wildlife management and population decisions can be long term.

Most outfitters are interested in harvesting adult, male big game animals. From the rancher's standpoint, overall population control, which includes antlerless animals as well, is a major concern. An outfitter who only allows for trophy harvest will soon leave the rancher with a big game population problem.

Liability is always a concern of landowners who are deriving income from wildlife. A landowner who is leasing the hunting rights to an outfitter should be certain that the landowner is specifically named in the liability insurance policy which is provided either by the outfitter or the landowner. Often an outfitter will provide the landowner with evidence that the outfitter has liability insurance. This means little to the landowner unless the landowner is specifically named as being protected under the policy.

### **Fee Hunting Enterprises**

Although outfitting is accepted in the West as a legitimate enterprise, there is much controversy associated with landowners conducting their own fee hunting operations. Although most wildlife interests recognize that landowners who look at wildlife as an asset rather than as a liability will take better care of their wildlife, there are still traditional and social concerns associated with landowners charging for hunting on private land.

Many landowners find the goodwill provided by free hunting is enough benefit to continue allowing free hunting. Other landowners have found past negative experiences with public hunters or their own economic situation to be the incentive they need to charge for hunting opportunities on their land. Many places throughout the West are receiving \$7,000 per elk hunter. Deer and antelope may bring as much as \$3,000 or \$4,000. Individuals willing to pay these prices to hunt on private land expect a quality hunting opportunity and not a guaranteed hunt. It's important to recognize that the recreational experience and the services provided are what allow income to be derived from hunting situations.

A landowner considering a hunting enterprise should first recognize some of the positive and negative connotations of this decision.

A landowner must have the right personality to deal with public hunters and provide a quality and enjoyable experience for clientele. They must be willing to accept strangers on their land and welcome them as guests. For many landowners this is a difficult situation because they have little tolerance for individuals who don't understand the complexities of a ranching operation. Some landowners recognize that they have this shortcoming and hire a hunt manager or designate a family member or employee who has the necessary personality.

Consider the social and traditional concerns associated with fee hunting operations. Utilizing local hunters as guides or offering public hunts for antlerless animals will sometimes help alleviate concerns. Put some of your profits into improving wildlife habitat and consider hunt donations as fund raisers for sports groups.

Some landowners are concerned about liability associated with wildlife enterprises. While this is certainly a legitimate concern, it can be addressed by obtaining the necessary insurance coverage and looking at this expense as a cost of the enterprise. As with any enterprise, expenses are paid through income received. Although records of successful lawsuits involving wildlife enterprises are limited, the importance of liability coverage revolves around the costs associated with legal fees when defending oneself

in a lawsuit. Landowners should contact their insurance agent to see if their insurance policy already covers a potential hunting enterprise or how much a rider to their policy would cost.

A landowner should weigh all the costs and benefits before entering into a fee hunting operation. If the fee hunting operation will allow the ranch to remain economically viable and if the wildlife enterprise prevents the land from being subdivided or developed, then certainly the benefits to wildlife outweigh the costs of limiting public hunting opportunities.

### **Non-game and Non-consumptive Opportunities**

Some people find it amazing that visitors to the West are willing to pay for the opportunity to shoot prairie dogs, go bird-watching, or take pictures of deer. But the fact is, many recreationists are more concerned about the time they have available than whether they have to pay for their experiences.

Your ranch might derive supplemental income from providing recreational opportunities. Advertising in appropriate magazines or newsletters might help you contact people interested in a place to go gopher or prairie dog hunting. Some people like to hunt coyotes or fish your streams. More income can be derived by renting out part of the bunkhouse.

Photo safaris are not new, but few landowners realize the demand for wildlife photo opportunities. Photo buffs are willing to pay for "good shots," and all the rancher needs to do is point out the best areas or put up blinds near prairie chicken grounds, deer crossings or other places. Again, the bunkhouse or a place to park the RV can provide additional income.

Keep your mind open and look for recreational income-producing opportunities on your ranch. We often take ranch situations for granted that might be unique to others.

### **Summary**

Economically difficult times may provide the incentive for ranchers to look at opportunities associated with big game populations on their private land. Ranchers should consider these opportunities with an open mind and understand that there is a great deal of flexibility to accommodate their concerns about public access and conservation easement programs.

There are major concerns associated with landowners deriving income from wildlife. However, individuals who are sincerely concerned about the welfare of wildlife and the sustainability of traditional land use should recognize that practices that make wildlife appreciated rather than unwelcome should be practices we encourage.