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# Understanding Nature-Based Tourism: What North Dakota Can Tell Us

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# CORNHUSKER ECONOMICS

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## Understanding Nature-Based Tourism: What North Dakota Can Tell Us

Rural communities, not only in the United States but also in foreign countries, are increasingly looking toward the tourism industry as a source for potential economic growth. One particular aspect of tourism, nature-based tourism, is often a good match for rural areas. Historically, businesses that provided hunting and fishing were some of the first nature-based tourism ventures. But today, nature-based tourism in rural areas encompass everything from guesthouse lodging and catering, to bird watching, canoeing and ranch or farm stays.

A 2008 article in *Great Plains Research* highlighted research results from a survey of business owners involved in rural tourism ventures in North Dakota, Nebraska's Great Plains neighbor to the north. The purpose of the study was to: 1) identify opportunities for expanding the tourism sector in the southwestern, eight-county region of North Dakota, 2) identify challenges and obstacles facing the business owners, and 3) frame key issues and outline potential options for area decision makers.

The authors (Hodur, Leistritz, Wolf) made a convincing case for taking a closer look at this sector: the increase of acres in the Conservation Reserve Program (CRP) and the resulting growth in wildlife populations had supported the increase in hunting, which sparked other businesses opportunities in several rural regions of that state. In addition to this fundamental environmental change, increasing land values in primarily agricultural areas due to recreational land use also created the need for a better understanding of this tourism sector.

The data for the study was gathered in 2003 from both a statewide (n = 194) and a regional mail survey (n = 38) of tourism-focused business owners, focus group interviews of owners and individual interviews with local community leaders.

| Market Report  | Yr<br>Ago | 4 Wks<br>Ago | 5/9/08  |
|--|-----------|--------------|---------|
| <b><u>Livestock and Products,</u></b>  |           |              |         |
| <b><u>Weekly Average</u></b>   |           |              |         |
| Nebraska Slaughter Steers,<br>35-65% Choice, Live Weight.....                                | \$96.51   | \$88.31      | \$93.81 |
| Nebraska Feeder Steers,<br>Med. & Large Frame, 550-600 lb.....                               | 129.80    | 115.28       | 123.73  |
| Nebraska Feeder Steers,<br>Med. & Large Frame 750-800 lb.....                                | 113.82    | 99.01        | 108.25  |
| Choice Boxed Beef,<br>600-750 lb. Carcass.....   | 160.08    | 140.91       | 155.33  |
| Western Corn Belt Base Hog Price<br>Carcass, Negotiated.....                                 | 69.46     | 58.05        | 78.56   |
| Feeder Pigs, National Direct<br>50 lbs, FOB.....   | 69.38     | 38.52        | 41.21   |
| Pork Carcass Cutout, 185 lb. Carcass,<br>51-52% Lean.....                                    | 76.93     | 60.95        | 77.73   |
| Slaughter Lambs, Ch. & Pr., Heavy,<br>Wooled, South Dakota, Direct.....                      | *         | 91.87        | 88.75   |
| National Carcass Lamb Cutout,<br>FOB.....  | 245.82    | 253.37       | 250.05  |
| <b><u>Crops,</u></b>   |           |              |         |
| <b><u>Daily Spot Prices</u></b>  |           |              |         |
| Wheat, No. 1, H.W.<br>Imperial, bu.....  | 4.51      | 8.84         | 7.85    |
| Corn, No. 2, Yellow<br>Omaha, bu.....  | 3.41      | 5.51         | 5.90    |
| Soybeans, No. 1, Yellow<br>Omaha, bu.....  | 7.11      | 12.71        | 12.99   |
| Grain Sorghum, No. 2, Yellow<br>Dorchester, cwt.....   | 5.38      | 9.45         | 10.07   |
| Oats, No. 2, Heavy<br>Minneapolis, MN, bu.....   | 2.65      | 3.79         | 4.02    |
| <b><u>Hay</u></b>  |           |              |         |
| Alfalfa, Large Square Bales,<br>Good to Premium, RFV 160-185<br>Northeast Nebraska, ton..... | 135.00    | 135.00       | *       |
| Alfalfa, Large Rounds, Good<br>Platte Valley, ton.....                                       | 92.50     | 85.00        | 77.50   |
| Grass Hay, Large Rounds, Premium<br>Nebraska, ton.....                                       | 90.00     | 82.50        | *       |

\* No market.



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## Results

**What did the businesses offer?** In the southwestern corner of the state, the primary focus of tourism businesses were “hunting lodge, guiding, fee hunting” (43%) followed by “campground, cabins or limited service resort” (23%). When it came to services, the most frequent response was “lodging, meals, food and beverage” (73.7%), followed by “hunting related services” (e.g. guiding, fee hunting) (58.3%). But approximately 15 percent of the respondents also listed such things as wildlife viewing, hiking, biking, winter activities and farm or ranch activities. Fossil digs, archeological exploration and historical tours were also noted.

Most of the businesses had been established during the 1990s (46%) or since 2000 (24%). A majority of businesses were seasonal (65%), operating most frequently in October (87.5%), November (70.8%) and September (54.2%). It is not surprising that only 22 percent of the respondents reported that their outdoor recreation-related business was their primary source of household income. Overall, the group reported that these businesses made up 21 percent of their household income. Due to a few large full-time operations, the distribution of income was bimodal, but the median percentage of household income from the participant’s outdoor recreation-related business was 10 percent.

**Who were their customers?** About 25 percent came from North Dakota, 25 percent from neighboring states, and just slightly less than 50 percent came from other states (only a very few came from another country).

**Where did the business owners see opportunities?** Nearly all of the respondents (94%) in the southwest region agreed that demand for nature-based tourism had increased during the previous three years, and that more state promotion of tourism was needed (91%). Activities listed as having high potential scores (average score based on a scale from 1 to 5 where 1 is “no potential” and 5 is “great potential) included: 1) hunting and fishing (93.9), off-road activities like biking and hiking (62.5), birding and wildlife viewing (59.4), working farm and ranch activities (56.3), heritage tours (46.9), fossil digs, archeological explorations (43.8), water sports (37.5), and off-road motor sports - ATVs, dirt bikes, (22.6).

**Where did business owners and community leaders see opportunities?** During focus group interviews with business owners and personal interviews with community leaders, several opportunities were highlighted:

- the area’s abundant natural resources and complimentary recreational opportunities,
- national park lands, trails, lakes, wide-open spaces, historical battlefields,
- western culture (cowboys) and small town hospitality, and
- world-class pheasant hunting.

**Where did business owners and community leaders see challenges?** The study lifted up the following issues:

- negative perception of the state as some place to visit by both locals and outsiders,
- a shortage of human and financial resources to promote tourism and the region,
- a state policy that had restricted non-resident hunter access, and
- expanding the notion of tourism beyond hunting and fishing.

## Conclusions

Since the study was undertaken in 2003, several significant tourism efforts have been put in place to mitigate the challenges noted by the participants: 1) in both 2005 and 2007, the North Dakota Department of Commerce-Tourism Division was awarded significant budget increases from their legislature to target promotion and cooperative marketing efforts, 2) a tourism marketing group has been launched, *Dakota West Adventures*, for member firms, and 3) in 2005 the state Game and Fish Department launched a new Private Lands Open to Sportsmen (PLOTS) program which in 2006 had over 860,000 acres enrolled. The authors also identify on a regional and local level other investments being made in an effort to leverage the area’s tourism assets.

## From a Nebraska Viewpoint...

Western North Dakota and Western Nebraska are two regions that some would say, “are cut out of the same bolt of cloth.” The similarities between the geography, culture, assets and history are striking. This study tells us a lot about how rural assets are increasingly being recognized in new ways. It is also a good example of how one Great Plains state is responding to social and economic trends and moving forward.

Reference:

Hodur, N., F. Leistritz and K. Wolfe. (2008) “Developing the Nature-based Tourism Sector in Southwestern North Dakota.” *Great Plains Research* (18) p. 81-92.

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