

Farm and Ranch Recreation Practice from Montana Ideas for Alaska



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An Introduction to the Farm and Ranch Workshop

Dave Sharpe

Montana State University

The first Farm and Ranch Recreation workshop was held six years ago in Montana. It was offered in response to a local group of farmers and businesses who requested information on how farmers and ranchers could devise alternate sources of income to maintain ownership of their property in the face of falling cattle and grain prices. Single families, through generations, have owned many ranches in Montana. As times grew tougher for making a living off of those ranches, the owners began to face doubt as to whether another generation would be able to keep the property. A number of landowners began looking for income opportunities beyond the traditional raising of herds and crops that had supported the farms for so long. The first Farm and Ranch Recreation workshop was held in an area traditionally known for mining, and over a hundred people showed up. The next year three workshops were planned for more agricultural areas of the state. By the time the records of those first workshops were reviewed, delivery and participation spanned six states and participants numbered over 2000. Dave Sharpe, Community Development Specialist with Montana State University, developed the Farm & Ranch Recreation Workshop format.

In Dave's own words, "The purpose of the workshops is not to convince folks that [recreation-based business] is something that they want to go into. It is to try to provide folks that are interested in thinking about this the best information we can to help them make the smartest decision possible." The group noted in developing the workshop that the Montana State Department of Tourism was marketing recreation opportunities out of state and as far away as Europe. The advertisements offered something that tourists did not find when they arrived in Montana. The chances of seeing "cowboys riding around chasing cattle, cowgirls strumming guitars and singing to the sunset" was far less likely than one "might see someone in a CAT hat, riding a four-wheeler, leading the cows from one pasture to the other." The Old West experience as it was being advertised was unavailable in Montana.

In another state, the Wyoming Department of Public Health defines "farm and ranch recreation" as a "ranch/farm facility containing or having under use agreement one hundred sixty (160) acres or more which may for a charge to the public provide activities for not more than a daily average of eight (8) persons in any given thirty (30) day period or may include sleeping facilities in not more than four (4) sleeping units along with accompanying meals. Meals and lodging shall be considered an adjunct to the activities to the activities which take place on the ranch/farm and are not available to non-registered guests". The "activities" are seen as secondary to the primary operations on the property. Rather than offer suggestions for branch businesses, Dave and his team focused on recognizing the core business and then addressing what else could be incorporated into it. "Always think what else can we do; how can we add on to it; how can we make it more interesting? What variety of activity fits with the existing business?"



Composite image by Adam Knight

Getting the Most Out of What You Have Panel Discussion with Mat-Su Valley Land Operators

Roy Corral & Paula Ahrens
Musk Ox Farm - Palmer

The Musk Ox Farm is a private non-profit organization located in Palmer, Alaska. The Farm began as a domestication project in 1964 by John Teal and was located in Unalakleet. The high cost of maintaining the farm and providing for the musk ox brought the farm to the road system in 1986. Among the original intents for the farm was to supply *qiviut* (the animal's under fur) for rural Alaskans as an income opportunity. Today, the farm continues to brush the animals each fall to collect *qiviut* and supplies 250 knitters in Yupik communities along the Bering Sea. The location serves as a tourist attraction, seeing upwards of 20,000 visitors each summer. There is a large educational and interpretive component for tourists to the farm. That component largely sustains the farm and provides annual revenues for operating costs. Of the farm's revenue, 70% is generated by admission and 30% by gift shop sales.

Animal husbandry and range management occupy other concerns at the farm. The ranch is only 75 acres, and the object is to optimize use of as much of that area as possible. The next phase of the operation will be to look at satellite farms. "To look at the sheep or cattle industry you don't see one farm, you see a number of farms," says Roy Corral, General Manager.

As a non-profit organization, volunteers are very important to the farm's success. According to Roy, the key to keeping volunteers is to provide them with a set schedule and expectations, just as one would a regular employee.

Keven Windel
Three Bears Farms - Wasilla

Keven Windel owns and operates Three Bears Farms in Wasilla. Windel says he could have the farm certified organic as he uses only composted animal manure as fertilizer, but that the red tape involved in certifying the farm organic has kept him from doing so. His farm supports an eclectic mix of vegetables, flowers, small animals and bees. He collects the honey from his beekeeping and makes jams and jellies from berries he finds in the wild. His greatest profits come from selling his honey, jams and jellies at Anchorage's Wednesday and Saturday Markets. This year, Keven ran out of his own honey before the end of the Market schedule and had to sell stock by other area producers in order to keep honey on his shelves.

By selling directly to the consumer, Keven eliminates the need for a commercial kitchen license. Alaska Administrative Code exempts from permitting requirements "the sale of homemade jam, jelly, fruit syrup, herb vinegar, dried herbs, or

dried tea leaves, if sold by the individual who prepared the food directly to the consumer at a restricted food service transient occupancy establishment, a farmers' market, a roadside stand, or a seasonal event, such as a fair or bazaar" and "the packaging and sale of raw, whole vegetables and fruit at a farmers' market, a roadside stand, or a seasonal event, such as a fair or bazaar, if the vegetables and fruit are offered (A) in their natural state; or (B) after rinsing, trimming of unnecessary parts, or separating greens from roots." His small livestock, chickens, ducks, geese and hogs, he also sells directly to the consumer. Those requiring butchering services, he directs to a local meat market for processing. In past years he has partnered with a local food preserver who produced his jellies and jams for him using his fruit. This arrangement he found very agreeable, but his assistant was unable to continue the venture this year.

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Alaska Tourism Marketing

Amy Cockerham

Alaska Tourism Industry Association

ATIA is a non-profit organization, which serves Alaska's tourism industry. It was formed three years ago to serve as a clearinghouse for information about tourism-based businesses in Alaska. Membership with ATIA comes at different levels of benefit to serve the varied needs of its clients. Top-level membership includes free listings on the ATIA web site, <http://www.travelalaska.com>, and in the *Official Alaska State Vacation Planner*. In addition to English, the *Vacation Planner* and *Travelalaska.com* are published in German and Japanese. ATIA also maintains offices in Germany, Austria, Switzerland, United Kingdom, Australia, Japan, Korea and Taiwan.

ATIA works with travel writers to showcase Alaska destinations and offer ideas for unique experiences to potential tourists to the state. The *Vacation Planner* is sent to roughly 450,000 homes annually. The households are prescreened by way of business reply cards specifically requesting information on travel to Alaska, rather than mass-mailing an unreceptive audience.

Requests for particular activities are directed first to member businesses, and all marketing is based on research to target the primary demographic of visitors to the state. Experiential, adventure travel is growing in popularity, even though the majority of visitors are cruise passengers. Independent travelers, in particular, want active experiences. ATIA works to promote the historical and cultural facets of travel to Alaska in addition to niche markets in Alaska tourism including highway travel and eco-tourism. Winter tourism is receiving increased focus in recent years. Traditional summer activities do not merely stop with the first snowfall. Fishing, hunting, sightseeing and wildlife viewing can be just as exciting in winter months. Dog mushing grows in popularity each year with the Iditarod and opportunities to ride behind a pack of working dogs. Aurora viewing is best during winter months, and the Alaska ski season lasts well into other states' spring.

Facts on Alaska tourism collected by ATIA reveal that tourism is Alaska's second largest employer, which accounts for one in eight private sector jobs. Resident Alaskans fill seventy-eight percent of those jobs. Travel and tourism is the state's fastest growing industry. \$124 million per year is paid directly to local communities by tourists and tour companies as fees and taxes. The bulk of Alaska visitors is from the west coast, is of the average age 50 with an annual income of \$60,000 and is well educated.

Tourism in Alaska is on a downward spiral of state funded support for tourism. Tourist marketing cooperatives such as ATIA provide small, local operators a venue to share activity options. ATIA provides tourism planners to assist communities in tourist development. ATIA recently completed *Destination Specialist, Alaska*, a training session for travel agents who are interested in marketing Alaska as a destination in their home states.

One participant suggested the idea of local "Main Street" marketing cooperatives. Small business owners in a given area could assess the availability of products and work to complement one another's business. In this way, word-of-mouth advertising can work similarly to large tour companies who contract with numerous providers to accommodate their clientele's interests. Rather than having a central operator to vend services, the community business owners become central to the knowledge of services available in their town and direct customers accordingly.

"[The Talkeetna Alaskan Lodge] is a boom to Talkeetna, but Talkeetna does not always want to be 'boomed-on'. Only two restaurants are open in time for people to have breakfast; they open at eleven when all the tourists are gone. They have early shutdown hours, when most of the buses don't get here before four in the afternoon. When a business closes at five in the afternoon, you cannot whine because the tourists are not spending any money. What we have to do is recognize that they're here, and now we have to work with them," noted Pat Wilson, Montana Creek Farmers Union.

Communities often operate under the perception that tourism will overrun the community and adjust by limiting hours of access to services such as restaurants, shopping and tours. ATIA planners assist with this process of how to develop tourism plans for



Marketing Farm and Ranch Recreation

Dave Sharpe

Montana State University

Alaska sees two and a half times its own population in visitors each year. The challenge is not to get all of them to visit one attraction but to get enough of them to visit to support the business.

The four Ps of marketing typically talked about by marketing professors are Product, Price, Place and Promotion. What are the types of product that can be offered to people? What is the quality of that product which can be offered? To compete with the cruise lines you need to be able to compete with the quality of product and service offered by those companies. There is a real trade-off to offering a product at lower cost if it compromises quality in the process of being cheaper.

Sharpe and his team conducted a study of sixteen thousand farms in Montana. Over a thousand replied that they engaged in some form of farm and recreation business. Of those, the largest number were offering fee hunting and fishing on their property. Others provided opportunities that were more interactive with the customer such as guided hunting and fishing, and working farm and ranch experiences such as cattle drives. What spelled the end of the Farm and Ranch Recreation workshop in Montana was response from one thousand four hundred more ranch owners who wrote that they were planning to start a recreation-based business in the coming year. Rather than facilitate saturating the Montana market with a glut of similar-minded business, the group set its sights on other states where the market was considerably more limited in scope.

Participants offered that Alaska exudes a perception about wilderness, wild animals and salmon fishing, whereas Montana carries a perception of cowboys and ranches. The likelihood that a visitor would come to Alaska in search of a dude ranch is nil. Many visitors do not even realize that there are farms in Alaska. Sharpe agreed that the target market is different from the western United States “where you can go play cowboy for a week.” He added that there is a need to be clear in your marketing at to what guests can expect for accommodations and services. Rustic means very different things to different people, from quaint to barbaric. Ultimately guests want comfort, cleanliness, a certain amount of privacy, and authenticity in their experience. Sharing comments from guests at Montana ranches, Dave pointed out the range of what contributed to guests’ negative experiences. Word of mouth is the

best form of advertising. Of business owners in Montana most relayed that this was how new clients were attracted to their operations. A guest who has a positive experience wants to share that with other people. The Internet has also grown as an advertising resource over the past few years. Where three years ago only three percent of guests reported finding the business on the Internet, last year forty two percent reported finding the business on the Web.



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communities. You can have rewarding experiences in terms of building a local economy without selling out the local culture. Efforts can be effectively planned and controlled as long as the community has a clear idea of what they do or don't want from tourism.

Roy Corral asked, “What are some key elements in marketing a tour program?”

Have a clear vision of your own goals and how it fits into what other services are available. Make sure the infrastructure exists to support the increase in visitors. Degrees of marketing depend on the ease of access to the activity. Remote lodges may require more effort in marketing than an off-highway attraction.

Business Assistance: Financing, Feasibility and Cash Flow

Stella Josephine

Alaska Small Business Development Center

The Alaska Small Business Development Center (ASBDC) supplies knowledge to Alaska entrepreneurs through a wide range of consulting, training, and research services. In a survey of two-thousand successful and unsuccessful businesses they found successful businesses generally engaged in six to twelve months preparation before opening whereas most unsuccessful enterprises had taken four months or less of preparation before opening. Ninety percent of successful businesses had employed a professional advisor but only twenty-five percent of unsuccessful ones sought assistance. Seventy percent of successful endeavors had engaged in education, workshops or other training regarding good business planning and practice. Ten percent of failed businesses had participated in any training.

Stella Josephine of the ASBDC Buy Alaska program is quick to point out that there is a wealth of poor advice to be found in the world and that the ASBDC strives to provide worthwhile information to small business owners. She suggests the most important aspect of choosing a business advisor is that the owner finds an advisor who shares his or her values as to what the goals of the particular business are.

ASBDC offers seminars to new and prospective business owners on how to start a small business and develop a business plan, marketing strategies, record keeping, pricing products and services, and personnel issues. Private consultants provide one-on-one training in those same areas. Online worksheets are available about applying for loans, avoiding common pitfalls that might damage the business, as well as outlines for standard business and marketing plans. All services but seminars at ASBDC are free of charge. Consultants work not only in their central office, but onsite with the business owner, over the phone or with other distance delivery technology.

Partner projects of ASBDC include Buy Alaska, which assists Alaska businesses with finding Alaskan sources for their supplies. Buy Alaska maintains an online, searchable database of member suppliers and encourages procurement departments to subscribe to obtain suggestions and guidance as to where they can find goods locally. Another partner is TREND, Technology Research and Development Center of Alaska. TREND focuses on helping Alaska innovators obtain grant and research

assistance in developing new products. The Procurement Technical Assistance Center (PTAC) assists local businesses in finding and securing government contract opportunities. The ASBDC and its partners do not supply funding opportunities for small businesses, but the breadth of information they offer is likely worth more than any loan would cover.



Small Group Brainstorming for Agritourism in Alaska

In small groups, participants were presented with an extensive list of agritourism alternative enterprises compiled from workshops in the Lower 48 and asked to generate a list of opportunities with the greatest possibility for success in Alaska. After some discussion, groups returned with the top three activities in which they found the most potential.

Wildlife viewing topped each group's list. In fact, it was seen as a primary *secondary* attraction. Visitors want to see moose, bear, eagles and other fauna, which Alaskans will often take for granted by virtue of sharing the land with these creatures. Animals follow their own patterns and schedules, however, and may pass an area when no one is watching for them. Participants brought ideas of how to attract a regular population of wildlife.

“Nobody Will Get Hurt” and Other Famous Last Words

Clearing densely forested land to create a field of view was suggested as were drive-through wildlife parks. As often, wildlife becomes a ‘participant’ in other activities. A visitor might easily find a riverside trail blocked by a moose where he intended only to fish further upstream, for example. In this way, wildlife viewing was cited as not only a primary activity, but secondary as well.



Fishing was cited as a ‘given’ for an activity. Virtually any landowner with streamside access could sell ‘salmon fishing from the back porch’ as an activity to visitors. Specialty products and their production, such as collecting *qiviut* at the Musk Ox farm or traditional Native crafts, were listed as attractions that already generate interest. B&Bs, particularly ones marketed as alternatives to the larger hotels for cruise guests were seen as a market as yet unexplored. Horses and other farm animals were listed as a focus. Two participants described an idea for their property to offer horseback rides to a recreational gold panning area.

Education found a place in the list of possibilities as well. Visitors like to leave with knowledge of where they visited. However, they do not necessarily want to sit in lectures and classes on their vacation. Experiential learning can impart not only the skill of the task but education secondary to the activity. On a trail ride to a gold panning activity, participants might learn not only the rudiments of each riding and gold panning but would have opportunities to learn facts about the landscape and its inhabitants along the way. Hiking lends itself naturally to wildflower identification and trailside geology. Anything, as mentioned, lends itself to the possibility of wildlife observation.

Liability concerns for recreation-based business was a topic the workshop also hoped to cover. Coordinators had a great deal of difficulty finding local providers who were even familiar with such issues. Cathcart Limited and Denali Insurance Brokers in Anchorage both handle recreation-based insurance concerns but neither company had representatives available to present materials.

Agritourism or farm and ranch recreation businesses may not present the level of risk associated with ice climbing in a Colorado canyon. However, these businesses will often expose their clientele to unconventional kinds of risk. They should be prepared to pursue coverage in addition to what they already carry and should not be surprised if it becomes difficult to find providers who are willing to insure recreation-based enterprises.

Barcott, Bruce. “Risk.” *Outside* July 2002: 98 – 103.

This article addresses the case of *Ro v San Juan Mountain Guides* where the widow of a student of a Colorado ice-climbing seminar is seeking damages in her husband’s death charging gross negligence in the accident that claimed her husband’s life. Misunderstanding and poor communication are cited in the article as factors contributing to Lucy Creamer unhooking from belay just before Pete Ro fell 135 feet down the waterfall he had nearly completed climbing.

Insurance companies have always combined their ‘float’ with financial savvy and a reliance on investment. With the flux of the stock market in recent years and the financial repercussions of September 11, insurance companies have either increasingly shied away from high-risk clients or increased their premiums for those clients to points where the businesses must now struggle more than ever to cover insurance costs.

The article also addresses the issue of waivers of liability. First, outfitters saw fit to do away with any materials promising safety. Safety, it is argued, is diametrically opposed to the essence of the adventure industry. Clients who seek out guides and outfitters are inherently seeking the risk that goes along with the activity. Where people do not necessarily look to be injured or killed in said activity, the risk is part of why they pursue the sport. The industry can only serve to be honest to the client in its waiver of liability by outlining in detail the possibilities for catastrophic accidents.

Gary Beu

Windsong Farms - Palmer

Gary Beu and wife, Carla, own Windsong Farm in Palmer. Windsong is a certified organic farm as well as one of three Grade A dairies in the state of Alaska. On the farm, Gary and Carla manufacture cheese curds from their own Grade A milk. As the only cheddar cheese curd producers in the state, they have attracted a regular customer base for the product. Curds are sold on the farm and at several locations in Anchorage and the Valley.

The Beu family has an innovative approach to marketing their produce and dairy. Besides roadside and on-farm sales, they sell subscriptions for produce, which provides the customer with fresh vegetables each week throughout the growing season. Another facet of the operations at Windsong is the “condo cows.” Though they are currently not selling shares, “condo cows” has been a well-received way for local customers to obtain raw milk. A loophole in the DEC regulation provides a way for the Beus to sell their product without violating DEC Code. Selling shares of the animal rather than the milk itself has allowed Windsong Farms to fill a niche in

the dairy market that has not been addressed by the other creameries in Alaska.

It should be noted that sale of unpasteurized dairy is forbidden by the State of Alaska and not recommended by the Food and Drug Administration. A significant number of people feel otherwise, and the Beus encourage everyone to read the for and against arguments and come to their own decision. The sanitation required in working with raw dairy has made Beu very particular about the cleanliness of their work areas. Gary says that it is difficult to impart this to hired help and that he usually ends up doing the cleaning and sanitizing himself so that it meets his rigid standards.

Gary also feels a responsibility to provide an educational service as part of his regular operations. “People no longer know where their food comes from,” he says. To contribute to that understanding he has a regular time each day that visitors can receive a tour of the farm. Windsong is also open to school groups free-of-charge for pre-arranged tours of the farm and facilities.



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