

Economic and Conservation Impacts of Hunting Leases

Greg Yarrow, *Department of Aquaculture, Fisheries and Wildlife, Clemson University, Clemson, SC 29634*

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Recreational hunting leases have become an established tradition in the Southeast that impacts forests and farm owners, sportsmen, the wildlife resource, and local and state economies. Some of the earlier leasing of hunting rights began in Texas in the 1920s. Texas ranchers quickly realized that hunting and wildlife management could go hand in hand with traditional agricultural and natural resource operations. Hunting leases quickly spread to the southeast across large land holdings such as those found in the Mississippi Delta and the Lower Coastal Plain. Today, hunting leases are commonplace across much of the Southeast on industrial timber company lands, corporate land holdings, and nonindustrial private lands where landowners have successfully integrated wildlife management and hunting leases with their timber and agricultural operations. The southeastern U.S. leads the rest of the nation in acreage under hunting leases, primarily because over 91% of the land is privately owned. Many of the land tracts lend themselves well to leasing, and there seems to be a greater acceptance of hunting leases in the South. For the most part, acceptance of hunting leases decreases as one moves from east to west, and from south to north.

A hunting lease is an agreement (written) between the landowner (lessor) and sportsman (lessee) that grants access rights for hunting game animals (and other specified activities) on the landowner's property for a specified time period. Sportsmen usually pay the landowner some dollar amount per acre or per hunter, or the landowner may require sportsmen to perform some service for the landowner in exchange for hunting access. Hunting leases include long-term leases such as seasonal, annual or multi-year leases for all game or specified game and short-term leases or access privileges, usually daily or weekly hunting, often by permits.

The most common type of hunting leases are long-term. Landowners under this leasing system provide a hunter (or group of hunters) hunting privileges for a season, an entire year, or for several consecutive years. Most often these leases allow harvesting of all game species during their respective seasons and fees are assessed on a per-acre or lump sum basis. Landowners often reserve some hunting rights for themselves and their immediate family. These leases often include other activities such as pre-season scouting, camping, and fishing. Long-term hunting leases usually result

in better sportsmen-landowner relationships because the landowner gets to know the hunter(s) personally which helps to build a degree of trust over time. This type of arrangement is often renewed for multiple years which helps the landowner project future income. Sportsmen in return are often more willing to make time, labor, and financial investments in leased property that is secure for several years into the future.

Some landowners may also choose to lease access rights only for hunting certain game species. Landowners may lease out hunting rights for several game species to different sportsmen's groups. This system works best when access rights granted to different groups do not overlap during the same time of year, such as fall deer hunting or spring turkey season. By far the most popular hunting leases in the Southeast are primarily for white-tailed deer.

Short-term leases may be on a per-day, weekend, or week-long basis. Landowners under this arrangement allow access for a specified time period and generally for a specified game species. The tradition of dove hunting (in the South) is an example of this type of lease. Often these hunts come in a "package," which includes guides, lodging, and meals. This type of hunting experience requires intensive management and marketing to be successful, but often yields a high rate of return. Shoot-preserved, where pen-raised game is released for hunting, are not considered a hunting lease operation, but do provide benefits to sportsmen and landowners.

Hunting leases are most often arranged by sportsmen who directly contact landowners interested in leasing their lands for hunting. In some cases, however, a broker may act as a liaison to secure the hunting rights from landowners. Brokers will actually do all the legwork such as advertising hunting lease opportunities and dealing directly with sportsmen. This saves the landowner time and inconvenience of dealing directly with sportsmen. Where land ownerships are small, brokers can also work to secure hunting rights from adjoining tracts to form a larger cooperative block that is more desirable for leasing. Brokers may also provide additional amenities to sportsmen such as room and board, transportation, guide service, dogs, and game cleaning.

Impact of Hunting Leases

Benefits to the Landowner

Hunting leases provide direct and indirect benefits to landowners. Some of the benefits include the following:

1. **Access Control and Protection of Land**—Landowners in several studies reported that better control of activities on their lands was the primary benefit of hunting leases. Trespass, vandalism, arson, and other land abuses are easier to control since lessees usually are willing to help police leased lands. Forest industry considers access control and protection of their lands as worth an additional \$2.35/acre/year (Marsinko et al., in press).

2. **Supplemental Income**—Hunting leases provide landowners with a consistent and reliable annual financial return, unlike long-term returns from timber or fluctuating and uncertain income from agricultural production. In most cases hunting leases will not be the major income producer for landowners; however, they can

be a significant supplemental income more than offsetting the cost associated with them. Several studies have reported average lease rates in the Southeast: \$2.97/acre and \$3.30/acre in 1990 rural counties on nonindustrial private forest landowners (NIPFs) in South Carolina, \$2.76/acre in 1994 on industrial timber company lands (\$40 million annually across the Southeast) (Marsinko et al., in press), \$5.50/acre (51% higher than NIPFs) on timber investment company lands (For. Investment Assoc., John Hancock Insurance Co., Prudential Timber, Wachovia Timberland Investment Manage.) (Caulfield and Thomas 1996), and \$2–\$30/acre/year from informal contracts in the field (landowner associations, state wildlife agency biologists, Extension agents). Melchoirs (1989) reported that in general, forest industry traditionally charges lower hunting lease rates than other private forest landowners.

3. Improved Public Relations—This is especially true if landowners lease to local sportsmen. The value of good public relations for timber companies was worth an additional \$1.78/acre/year from the lands they lease (Marsinko et al., in press).

4. In-kind Labor Assistance from Sportsmen—Many hunt lease clubs are willing to provide in-kind labor assistance to landowners such as repairing roads, mending fences, planting and maintaining wildlife plots, and in some cases prescribed burning. In-kind labor can be facilitated if landowners have open communications with hunters and let hunters know in advance of future land use management activities where they might be able to help.

5. Fellowship with Hunters—In several studies, landowners who lease their lands for hunting have reported a high value placed on good relations with sportsmen groups and the fellowship they receive from those leasing their lands.

6. Hunting Leases Complement Most Forestry and Agronomic Operations—Hunting leases and wildlife management fit very well with other traditional land use and management activities such as forestry and agricultural production.

7. Increase in Property Values—There is evidence that hunting leases and wildlife resources increase the property value of some lands in some localities. To maintain hunting leases many landowners strive to maintain or improve health populations of game species which also positively affects many nongame animals. Many buyers of rural property want wildlife and are willing to pay more for land which has it.

8. Increased Feeling of Stewardship—An important benefit to many landowners is the increased feeling of stewardship they receive when wildlife is managed and properly utilized.

Benefits to Hunters

The following are benefits of hunting leases depending on locality and availability of both public and private hunting lands:

1. Increased Quality and Availability of Hunting Opportunities—Studies in several states indicate that much of the land which has been leased in the last few years was previously closed to hunting, therefore, there is some expansion of hunting opportunities from leasing by opening up new areas. Although not demonstrated in any studies, it is generally believed that there is no net loss of hunting opportunity due to leasing, although this may happen in local areas where public hunting is not available.

Even if this is not true and there is some net loss of hunting opportunities, it will be far less than that resulting from the trend of continued closure of many private lands to hunting, lack of management on those lands, and loss of habitat altogether from changing land uses that are not favorable for wildlife. Lease lands often have quality wildlife habitat, good game populations, and lower densities of hunters which, together, enhance the quality of the hunting experience as compared to most public lands. The increased demand for quality hunting lands and other forms of outdoor recreation has created additional opportunities for private landowners.

2. Standard of Hunter Behavior Increased—An important impact of leasing on hunters is the standard of behavior required by most landowners who lease their lands. Hunters who lease lands show a proprietary interest in the land and are more careful how they use it. Trespass and land abuse problems decline with leasing and this good behavior helps to improve hunters' image. Most studies have shown that landowners are not opposed to hunting, only to problem hunters. All hunters will benefit from an improved image which should encourage additional landowners to lease their lands for hunting.

Benefits to the Economy: Local, State, and National

Of the \$22.1 billion spent by 14 million hunters in the U.S. in 1996, over 14% or \$3.2 billion was spent for leasing or buying land to hunt on. One of the few studies that have estimated impacts of leasing on state economies, concluded that private land lease hunting in Alabama adds \$31.3 million to the state's economy (Wallace et al. 1991). Southeastern states with similar hunter demographics and leased lands could probably expect the same contribution from hunting leases. Several studies (Richardson et al. 1992, Wallace et al. 1991, Thigpen et al. 1992) have found that hunting leases may have the most significant economic impact on rural communities and counties, especially those with an otherwise poor economic base. In South Carolina, Alabama and Texas, hunting leases on private lands were shown to be a major economic driven force in local communities. For example, during the 1990–1991 hunting season in two South Carolina counties (McCormick and Jasper counties) sportsmen who hunted on privately leased lands had a total in-county expenditure over \$4.3 million (multiplier effect of \$6.6 million) and over \$6 million (multiplier effect of \$8.9 million). The total annual in-county private land hunter expenditures to community business were over \$4.3 million in one county and \$3.3 million in the other, or 75% of the in-county expenditures. The total annual in-county private land hunter expenditures to landowners for hunting lease payments were \$1.7 million in Jasper County and \$1 million in McCormick County. A similar study in Gillespie County found that hunters spend about \$7 million (multiplier effect of \$9 million) during the 1988–89 hunting season in the county. About 61% of this was going to community businesses, 39% or \$2.7 million to landowners for lease payments.

Benefits to the Resource

The impact of hunting leases on wildlife is not well-documented. Some studies indicate that leasing has not increased the efforts landowners put back into habitat

management or improving the quality of hunting on leased lands. Other studies have shown that where leasing generates significant income, landowners are making efforts to improve hunting through habitat management. Marsinko et al. (in press) reports an increase in intensity of wildlife management on timber company lands that have leasing programs. NIPFs who lease their lands for hunting in two South Carolina counties reported investing an average of \$.26/acre/year to \$5.65/acre/year to manage their lands for wildlife. Interesting enough, this latter figure exceeds the amount received from hunting leasing (\$2.97/acre/year) by \$2.67/acre/year.

Studies show that as wildlife resources gain more value, as evidenced by the willingness of hunters to pay more for access, landowners are motivated to consider managing the resource for better populations rather than just selling the access rights to whatever happens to be there. As hunters pay more they expect quality hunting rather than just a place to hunt. If hunting lease prices and improved wildlife habitat are related, hunting leases may provide an economic basis for evaluating wildlife management practices. At the very least, leasing tends to preserve wildlife habitat, both for game and nongame species. The intensity of habitat improvements, if any are conducted at all, appears to be related to lease prices and current land uses. Leased land is less likely to be converted to other uses and this likelihood decreases as the value of the wildlife resource increases. This is particularly true where the hunting lease values (only part of wildlife value) compare favorably with or begin to equal other land uses, or where they strongly complement other land uses. In many cases, silvicultural and agronomic practices can be modified with little or no costs to maintain or improve wildlife habitat without there being a direct expenditure of leasing revenue to improve habitat. However, as more concessions are made for wildlife, opportunity costs from timber, agriculture or other land production uses rise. Hunting leases have the long-term potential for increasing the amount of and managed for wildlife. They are also a feasible means to increase wildlife management on private lands without seeking funds from wildlife agencies' budgets.

Disadvantages of Hunting Leases

Hunting leases are not suitable for every landowner and have several disadvantages worth noting. Some of the disadvantages include the following:

1. **Liability Concerns**—Landowners who lease their lands for hunting, or who are contemplating leasing, report that liability is one of their major concerns. Liability should always be a concern; however, there is evidence that the perceived threat is usually greater than the actual threat. Marsinko et al. (in press) and others reported that of the few (4) lawsuits brought against landowners on leased lands none have resulted in payments. To reduce liability concerns many landowners have begun to reduce risks on their lands and require hunt lease clubs to purchase liability insurance (Yarrow 1998).

2. **Resentment by Local Hunters**—Local hunters who are excluded from hunting lease properties may be resentful to leasing to "outsiders" creating local public relations problems. Landowners can reduce these problems by giving preference (or the right of first refusal) to local hunters. Landowners may not always receive highest lease price, but good local public relations is maintained.

3. **Landowner Costs of Habitat and Administrative Management**—In many cases hunting leases require an investment in habitat management, and on large tracts (timber companies), an investment in time and personnel to administer leasing programs. The average annual cost associated with leasing programs on timber industry lands was \$0.68 per acre (Marsinko et al., in press). Depending on the intensity of management, costs may range even higher from \$2.00 to \$6.00/acre/year which is roughly equivalent to hunting lease prices. Wildlife habitat management intensity depends in part on lost opportunity costs from timber, agriculture and other income-generating activities. Many timber companies find themselves managing hunt lease programs largely to recover costs and generate marginal profits (to at least cover taxes/acre) rather than earning a high rate of return.

4. **Lack of Financial Incentives**—Besides the direct compensation from leasing fees and cost-sharing programs for habitat improvements, there is a lack of tax relief and other incentives to encourage landowners to lease their lands for hunting. Revenue from hunting leases are taxed as regular income. Currently there are no tax credits for costs associated with wildlife habitat improvement. Conservation easements are the only option for providing landowners with some tax relief.

5. **Lack of Technical and Educational Support**—Many state agencies offer little assistance or advice on establishing and running a hunting lease operation. The Extension Service has done most of this work, but there is a need for more and better information and advice for landowners. Private natural resource consultants are also providing some of this assistance. In addition, there is a general lack of good economic data on which to base hunting lease decisions which is a real problem for landowners. Costs and returns of managing wildlife for profit are not well-defined, and where such data exists, it is usually not readily available to landowners.

6. **Landowners Are Unsure How to Market Hunting Leases and Other Wildlife Opportunities**—Landowners who have been leasing their lands for hunting often have waiting lists of individuals and groups who are interested in leasing their lands. Marketing is usually not a problem for these landowners. However, landowners who are new to hunt leases or who are interested in marketing wildlife access to the non-hunting public have difficulty in determining where to go or who new clientele could be. A “clearinghouse” for exchange of information about hunting and other wildlife access opportunities between landowners and user groups would be helpful. These could be set up at the local level at county Extension offices or other local government offices. Savvy natural resource consultants may also offer these services.

Influences of Hunting Leases on Land-Use Decisions Important to Wildlife

Studies have shown that hunting leases can have a positive effect on maintaining and enhancing wildlife habitat on private lands. Marsinko et al. (in press) reports that 91% of timber companies consider income from leases in their economic analyses and investment decisions. Other studies show a strong indication that as the value of hunting leases increases so does the investment in habitat management on private

lands. Hunting leases offer additional economic value to forest and farm land which helps to reduce conversion of land to other competing land uses that are not favorable to wildlife.

In most cases the private sector is willing to pay higher hunting lease rates than what state wildlife agencies pay for lands in WMA programs. This has led to the loss of public WMA acreage to private groups who are willing to pay higher rates. Unfortunately, if state agencies are not willing to pay the "market value" for hunting leases then this trend will continue. Although the acreage of public hunting land decreases, landowners benefit from increased revenue which improves the likelihood that more money will be spent on wildlife habitat enhancement. The most unfortunate loss of WMA lands is when other land uses completely out compete low rates paid by state wildlife agencies or higher lease rates paid by private groups (example: 10,000 acres pulled out of WMA program in South Carolina from Mountain Hunt Unit owned by Duke Energy which will be developed for commercial and residential areas).

An awareness of the value of hunting leases may also inadvertently cause a push for higher land taxes on lands leased for hunting.

What Are the Trends?

1. Hunting leases are here to stay as part of the wildlife management landscape in the Southeast. The hunting lease market will continue to be strong, even though the number of hunters has declined. There is still a strong demand for quality hunting and willingness to pay.

2. The demand for a variety of nonhunting outdoor recreation on private lands is growing fast, especially in light of increased crowding on public lands and parks. This indicates a large market potential for nontraditional/nonhunting uses of wildlife access and opportunities on private lands. Hunting leases will remain a viable income opportunity for many private landowners; however, access for other forms of wildlife and outdoor recreation will become more prominent. Progressive landowners will diversify their land use options and management strategies to accommodate nonhunting uses on their lands. In some areas nonhunters are becoming members of hunting clubs to gain access to wildlife watching and other nonhunting activities.

Marsinko et al. (in press) also reported an increase in nonhunting activities on leased timber company lands by clubs and that leased land is being utilized for a greater part of the year. Many timber companies plan to expand opportunities for nonhunting activities on their lands along with an increase in use.

Strengths of Hunting Leases (Economic Use) in Protecting the Wildlife Resource into the Future

1. Provides additional revenue to landowners which helps to maintain and/or enhance wildlife habitat. Hunting leases are key to maintaining existing wildlife habitat on private lands, unless there is strong economic development pressure to convert lands to other uses (like we are seeing in some coastal counties in the Southeast).

2. Hunting leases and wildlife management are complementary to timber and agronomic production that maintains wildlife habitat.

Weaknesses of Hunting Leases (Economic Use) in Protecting the Wildlife Resource into the Future

1. The hunting public continues to decline. At some future point there may be a corresponding decline in hunting leases making land more vulnerable to conversion to other uses, unless strong nonhunting fee-based wildlife and outdoor recreational activities occurs on private lands to take up the slack.

2. Some state agencies and biologists still oppose or grudgingly accept lease hunting. This can be a major impediment to the maintenance and growth of lease hunting and the positive impacts it has on the wildlife resource.

3. Some hunters and groups who lease lands for hunting are not very receptive to competing nonhunting uses of wildlife as well as other recreational uses of the land they hunt. Lease hunters must be willing to share the land with other users and have an awareness and an appreciation that there are others who are willing to "help pay the way" to ensure that private lands are maintained and enhanced for wildlife.

4. It is difficult to quantify the total economic impact of lease hunting even though we have several studies from timber company lands and other private lands. The information that we have is limited. We all feel that economic impacts of wildlife are significant, but can only use U.S. Fish and Wildlife Service information which is rough at best. Consequently, this puts wildlife and the protection of wildlife habitat at a tremendous disadvantage when competing with other land uses which have strong economic information to justify their existence or expansion. Without this information, state wildlife agencies are also at a disadvantage when they have to compete for dollars against other agencies or groups when state legislatures are in session. The report by the International Association of Fish and Wildlife Agencies and USFWS *The Economic Importance of Hunting* is a good start. With good economic information, wildlife can compete with other land use interests, especially since wildlife have other non-economic values that have a strong appeal such as aesthetics and spiritual values.

Conclusion

1. Hunting leases are here to stay, and if administered properly, have a positive impact on landowners, hunters, the economy, and the wildlife resource.

2. Hunting leases will be only one of many land-use activities that private landowners offer a diverse clientele as an increasing number of user groups become interested in nonhunting outdoor activities.

3. Wildlife agencies must develop stronger programs to work with and support landowners who are leasing their lands for hunting to ensure protection and enhancement of wildlife habitat on private lands.

4. Wildlife agencies should recognize the emerging trend and increased public

interest for nonhunting wildlife recreation on private lands and develop assistance programs to help support landowners in this area.

5. The wildlife profession should provide leadership to maximize wildlife, hunter and landowner benefits from hunting leases and other wildlife-related recreational activities on private lands by providing technical and educational assistance, and being advocates for policies, regulations, and incentives that are favorable to lease hunting and other fee access wildlife recreation.

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