

Summary of Research



Selected Results From a 2008 Survey of Montana Big Game Outfitters Regarding the Variable-Priced Outfitter Sponsored License

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Each year, resident and nonresident hunters eagerly await Montana's deer and elk hunting seasons. While there are no limits on the number of resident licenses that may be sold each year, legislatively established limits have been placed on nonresident license sales. Only 17,000 nonresident combination deer/elk (B-10 licenses) and 6,000 nonresident deer (B-11 licenses) may be sold annually. Most of these licenses are made available via a special drawing, and are called "general category" B-10 and B-11 licenses. However, a portion of these licenses are "reserved" for sponsored clients of licensed outfitters. These reserved licenses are called "variable-priced outfitter sponsored" B-10 and B-11 licenses.

Variable-priced outfitter sponsored (VPOS) licenses were legislatively established in 1995, based upon recommendations from the Montana Private Land/Public Wildlife (PL/PW) Advisory Council. Prior to creation of VPOS licenses, outfitter-clients had to compete for a limited number of outfitter-sponsored deer and elk licenses through a random drawing. The rationale for creating the VPOS licenses, as reported in a December 6, 1994 PL/PW Report presented to the Governor and the 1995 Legislature, was to:

- Maintain stability in the outfitting industry.
- Increase competition among outfitters, thus limiting growth in the industry.
- Provide money to fund public hunting access programs while maintaining lower-priced licenses for other nonresident hunters¹.
- Maintain the current level of outfitter clients.

VPOS licenses are licenses guaranteed to those nonresidents willing to pay a market-based price which is set annually. Prices are adjusted to sell an average of 5,500 B-10 and 2,300 B-11 licenses each year over a 5-year period. While nonresidents who draw a general category B-10 or B-11 license may hunt on their own or employ the services of an outfitter if they wish to do so, nonresidents who purchase a VPOS license must hunt with the outfitter who sponsors them or another licensed outfitter.

In the spring of 2008, FWP, at the request of and in partnership with the PL/PW Advisory Council, initiated a survey of licensed big game outfitters in Montana. The purpose of this survey was to determine outfitter impacts and attitudes regarding the VPOS licenses.

¹ At the time of the study, the price of the VPOS B-10 and B-11 licenses were \$1,500 and \$1,100 respectively. This compared to \$643 for the general category B-10 license and \$343 for the general category B-11 license. A significant portion of the fees collected from the sale of VPOS licenses is used to help support funding of Montana's Block Management Hunting Access Enhancement Program.

Mailback surveys were administered to 401 licensed outfitters in the state who were eligible to offer outfitted hunting opportunities for deer and/or elk. A total of 190 outfitters completed and returned their survey, resulting in a 47 percent response rate to the survey.

Licensed outfitters were asked how VPOS licenses have impacted their business in the following areas:

1. **CLIENTS** ...overall number of clients, repeat clients, VPOS license clients, general category license clients.
2. **SPECIES HUNTED** ...elk, deer, other species.
3. **BUSINESS** ...profitability and stability.
4. **LANDS HUNTED** ...private and public.

Licensed outfitters also were asked about their familiarity and satisfaction with the current system used to administer and set the price of VPOS licenses

RESULTS

CLIENTS

VPOS licenses were first made available in 1996. Keeping that in mind, outfitting businesses were asked to identify trends observed in the number of clients they have served during the past ten years. The following trends, including trends on VPOS license clients (Figure 1), were noted by respondents:

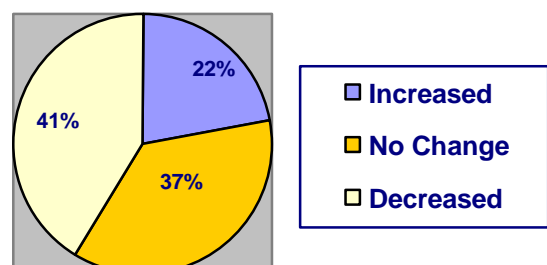
Total number of clients during the past ten years:

- 23.8% of the respondents reported an increase.
- 35.9% of the respondents reported no change.
- 40.3% of the respondents reported a decrease.

Number of repeat clients during the past ten years:

- 24.6% of the respondents reported an increase.
- 40.4% of the respondents reported no change.
- 35.0% of the respondents reported a decrease.

Figure 1. Response to: "Overall, has your number of VPOS license clients changed during the time you have outfitted between 1996 and 2007?"



Eighty percent of the respondents reported they had clients who purchased a VPOS B-10 license in 2007. Those respondents who did not sponsor any clients gave the following reasons:

- 13.3% Could not sell the hunt due to the cost of the VPOS B-10 license.
- 3.3% Had an adequate number of clients who utilized the general category B-10 license.
- 33.3% Had an adequate number of clients who purchased the VPOS B-11 license.
- 0.0% Utilized the landowner sponsored B-11 license only.
- 50.0% Other miscellaneous reasons

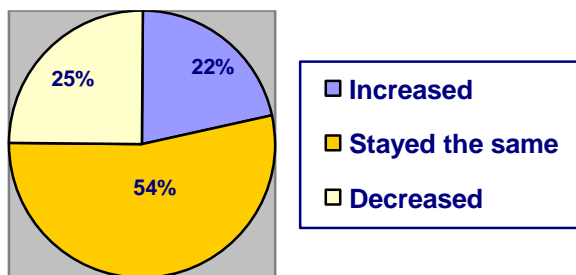
Fifty-five percent of the respondents reported they had clients who purchased a VPOS B-11 license in 2007. Respondents who did not sponsor any clients gave the following reasons:

- 28.6% Could not sell the hunt due to the cost of the VPOS B-11 license.
- 1.8% Had an adequate number of clients who utilized the general category B-11 license.
- 42.9% Had an adequate number of clients who purchased the VPOS B-10 license.
- 0.0% Utilized the landowner sponsored B-11 license only.
- 26.8% Other miscellaneous reasons

Aside from VPOS licenses, most nonresident deer elk and deer licenses are made available via a special drawing, and are called “general category” licenses.

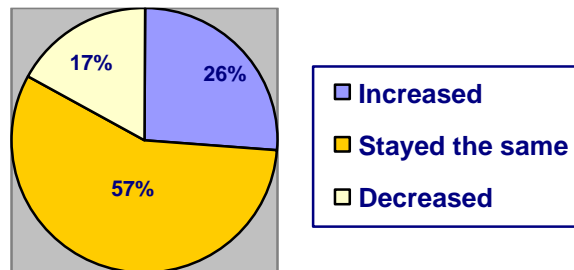
Fifty-two percent of the respondents reported they had clients who utilized the general category B-10 license in 2007. Twenty-five percent of those respondents said that the percentage of their clients that utilize the general category B-10 license has decreased due to the existence of VPOS licenses (Figure 2). On the other hand, 22 percent reported an increase in the percentage of their clients that utilize the general category B-10 license due to the existence of VPOS licenses.

Figure 2. Response to: “Has the percentage of your clients that utilize the general category B-10 license changed due to the existence of the variable-priced outfitter sponsored license?”



Twenty-eight percent of the respondents reported they had clients who utilized the general category B-11 license in 2007. Seventeen percent of those respondents said that the percentage of their clients that utilize the general category B-11 license has decreased due to the existence of VPOS licenses (Figure 3). In contrast, 26 percent reported an increase in the percentage of their clients that utilize the general category B-11 license due to the existence of VPOS licenses.

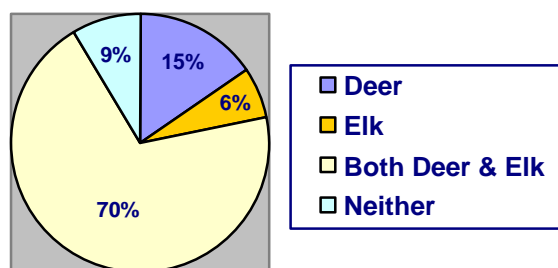
Figure 3. Response to: “Has the percentage of your clients that utilize the general category B-11 license changed due to the existence of the variable-priced outfitter sponsored license?”



SPECIES HUNTED

When asked for what species their business outfitted in 2007, 70 percent of the respondents reported both deer and elk (Figure 4).

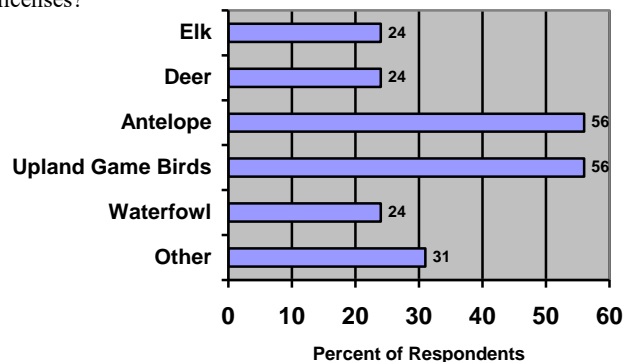
Figure 4. Response to: “Did you outfit hunters for any of the following animals in 2007?”



Nearly 60 percent of the respondents reported their business depends the most on elk outfitting, while 23 percent reported they depend on mule deer the most. Thirteen percent reported they depend on whitetail deer the most. The remaining seven percent reported other game species.

Twenty-five percent of the respondents indicated they have diversified their business to include additional species due to the VPOS licenses (Figure 5).

Figure 5. Response to: “What other species have you included to diversify your business due to the variable-priced outfitter sponsored licenses?”



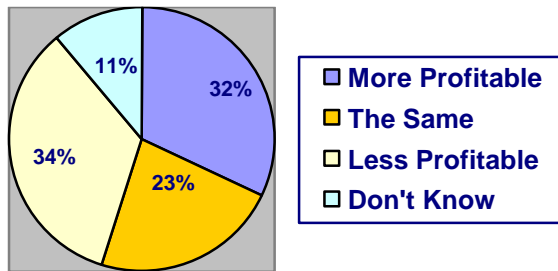
In addition to the above, 33 percent of the respondents reported they have specialized their operation to hunt for a higher quality trophy due to VPOS licenses.

BUSINESS

When asked if they are getting the clients they need from the current licensing system, 54 percent of the respondents said “Yes” and 46 percent said “No.” Also, 30 percent of the respondents reported that the number of licensed hunting guides they have employed has decreased during the past ten years. However, 19 percent reported an increase in the number of guides employed during that same timeframe. Fifty-one percent reported no change.

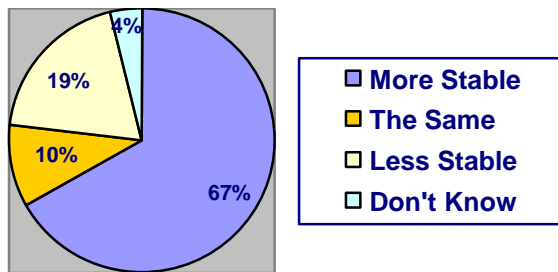
In terms of profitability, 32 percent of the respondents reported that VPOS licenses have made their business more profitable (Figure 6). On the other hand, 34 percent reported their business has become less profitable. Twenty-three percent reported no change in profitability.

Figure 6. Response to: “Has the variable-priced outfitter sponsored license affected your individual business’s net profit?”



In terms of stability, 67 percent of the respondents reported that VPOS licenses have made their outfitting business more stable (Figure 7). Nineteen percent reported their business has become less stable. Ten percent reported no change in stability.

Figure 7. Response to: “Has the variable-priced outfitter sponsored license affected the stability of your outfitting business?”



LANDS HUNTED

Survey respondents responded as follows when asked, “Which of the following land ownerships do you use for your outfitting business?”

- 48.4% Private (self-owned)
- 62.0% Private (leased)
- 54.9% U.S. Forest Service
- 41.8% Bureau of Land Management
- 45.1% State land
- 6.0% Other

Only 15 percent of the respondents think the VPOS license has affected the amount of private land available for their outfitting business.

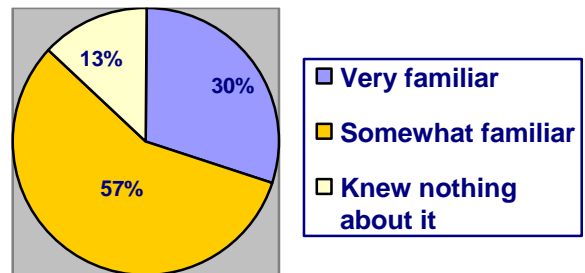
Twelve percent of the respondents indicated that the number of acres of **private land they lease** has increased during the past ten years. On the other hand, 21 percent reported the number of private land acres they lease has decreased during that same time span. Forty-four percent reported no change, and for 23 percent of the respondents the question was not applicable.

Eight percent of the respondents reported that the number of acres of **public land on which they outfit** has increased during the past ten years. Conversely, 10 percent reported the number of public land acres on which they outfit has decreased during that same time span. Sixty-seven percent reported no change, and for 15 percent of the respondents the question was not applicable.

FAMILIARITY & SATISFACTION WITH THE CURRENT SYSTEM USED TO ADMINISTER AND SET THE PRICE OF VPOS LICENSES

Currently, by statute, the FWP Commission annually sets the price of VPOS licenses based upon recommendations of a committee consisting of two outfitters, two sportspersons, and one FWP Commissioner. When asked how familiar they are with this system, 30 percent of the respondents indicated they were “very familiar” (Figure 8). Nearly 60 percent reported they were “somewhat familiar” with this system. Thirteen percent indicated they knew nothing about it.

Figure 8. Response to: “How familiar are you with the current system used to annually set the price of the variable-priced outfitter sponsored licenses?”



Only 25 percent of the respondents reported they were “very satisfied” or “somewhat satisfied” with the current system used to annually set the price of VPOS licenses. Sixty-three percent indicated they were “somewhat dissatisfied” or “very dissatisfied.” Twelve percent were neither satisfied or dissatisfied.

Only a third of the respondents (34 percent) reported they were “satisfied” or “highly satisfied” with the overall FWP administration of the VPOS license sales process. Forty-one percent were “dissatisfied” or “highly dissatisfied.” Twenty-five percent were neither satisfied or dissatisfied.

DISCUSSION

Since 1996, the number of licensed hunting outfitters has decreased, with Montana Board of Outfitters (MBO) licensing 529 hunting outfitters in 1996 and 450 hunting outfitters in 2007.

Although accurate data documenting the amount of private land used by licensed hunting outfitters was not available from MBO until 2003, according to MBO the amount of private land where licensed outfitters are authorized to outfit has decreased from 6.4 million acres in 2003 to 5.2 million acres in 2007.

Since 1996, the sale of VPOS licenses has generated more than 50 million dollars that have been used to fund the majority of expenses associated with the Block Management Program, a private land public hunting access program which was enhanced in 1995 based upon recommendations from the PL/PW Advisory Council.

Also since 1996, the number of nonresident hunters purchasing VPOS licenses has remained relatively constant, with an average of 5,523 B-10 and 2,331 B-11 licenses being sold annually during the time period 1996-2005. Because the system used to sell these licenses allows for annual fluctuations in price and numbers sold to achieve a 5-year average of licenses sold, in some years there have been more or less than the average number of licenses sold. The current five-year period began with the 2006 license year.

The intent of this survey, conducted in 2008, was to gain input from members of the outfitting industry that could help determine outfitter impacts and attitudes regarding the VPOS license, particularly as they may relate to how the license has affected outfitting business stability and profitability, the clients of hunting outfitters, the land where outfitted hunting occurs, and the animals hunted.

While the data would suggest there is general support among hunting outfitters for some type of guaranteed license system, there also appears to be widespread concern regarding the current high price of the licenses and the impact that may be having on the type of client purchasing the license ("blue collar workers" being replaced by "rich people") and ("repeat clients who come back year after year being replaced with clients who only hunt one or every several years"). The data also indicates that outfitters who operate on mostly public lands feel they are affected differently by the current system of VPOS licenses than outfitters who operate mostly on private land.

Data gathered from questions asking what system of license issuance hunting outfitters preferred (previous, current, or something new), and what could be done to make the overall system work better, identified several general themes or similar ideas, as well as individual and often disparate suggestions. Among the general themes were things like "allocate the licenses based upon a percentage of past documented use," "use a system of outfitter allocation like that used in Idaho," "create separate pools of licenses for public land outfitters and private land outfitters," and "stabilize the prices of VPOS licenses for some period longer than just one year."

Overall, based upon the results of this survey, it appears that while some outfitters have fared better or worse under the current licensing system, the majority of outfitters seem to have continued to conduct business much as they did before this license system was adopted. Some outfitters have modified their businesses to incorporate new hunting opportunities, adapted pricing of hunts in different ways to incorporate or otherwise compensate for increased costs of the license, and attempted to market hunts to hunters who purchase licenses other than just the VPOS license.

Although many outfitters cited dissatisfaction with both the overall FWP administration of the VPOS license sales process and the current system used to annually set the price of the VPOS licenses, it was not clear from the responses how much of this dissatisfaction was directly related to the actual prices of the license versus the lack of familiarity with the current system or other factors.

Results of this survey will be provided to the PL/PW Advisory Council, MBO, the Montana Outfitters and Guides Association, FWP, and members of the public and the legislature as one tool for use by these groups and individuals to determine how this particular license system is functioning in terms of the intent behind creating the license, and the impacts it has had over the past 10 years.

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