



United States
Department of
Agriculture

Natural
Resources
Conservation Service

Resource Economics
and Social Sciences
Division

September 2001

Alternative Farm Enterprises – Agritourism Success Stories

Hardwood Forest, Hunting, Conservation/Education, B&B, Birding, Horse Rides

Interview with Vern and Peg Knapp, 43778 Thompson
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What is the history of your farm and farming experience?

The land was part of the Holland Land Company, which was granted to William Penn by the King of England in the 1600's. The Knapp Farm dates back to 1813. Daniel Knapp of Vermont received this land for fighting in the War of 1812. Vern represents the sixth generation of Knapps on this farm. We've been here together since we married more than 30 years ago. The farm is more than 1,000 acres in hardwood forest and cropland. We switched from dairy and grains to beef backgrounding in 1991. We now operate a hunting preserve and a bed-and-breakfast with rural farm amenities, and harvest hardwood trees from our Pennsylvania-certified tree farm.

Describe the alternative enterprises in which you are presently engaged.

In 1995, we converted the 1870 farmhouse into a bed-and-breakfast. This is a country style building with four bedrooms, private baths, front porch, dining room, large living room, pool table room, kitchen, and business office. We use farmhouse only for guests. We moved into a smaller house next door that Peg's mother had built in 1979. Then, we established the hunting preserve for deer, wild turkey, and other upland game. In 1996, we added trail rides, and by 1998 we started to add and enhance the wetlands. We rent the best cropland to neighboring farmers. We are currently

developing fishing, bird dog training, guided nature trail walks, and bird watching/listening.

What made you decide to go into the present alternative enterprises?

We knew we had to consider alternative enterprises by the early 1990's, when the changes in agriculture had put us into a financial bind. We had the old farmhouse and Peg's mother's house and more than 1,000 acres, which is a very large farm for northwest Pennsylvania. We enjoyed visiting B&Bs and thought about how we would enjoy that kind of operation here. Because Vern was a member of the soil and water conservation district board, he was very aware of the land capabilities. Our county, Crawford County, had been covered twice with glaciers, which resulted in some of the best hardwood production conditions in the United States. On the other hand, 40 percent of the county could be considered wetlands, making it poorly suited for crop and livestock production. So we decided that the best way to keep the farm in the family and have it pay its own expenses was to manage and preserve our natural resources for income-producing sportsman and tourist enterprises.

How did you make the transition?

Vern talked with a neighbor who had extensive deer and turkey hunting experience on our farm. He asked him about possibility of being a guide for our new business venture. He was very excited about the idea because it was something he had

always wanted to do but did not have the land to make it work. He also suggested that we consider an upland bird hunting enterprise. He shared his experience, knowledge, and involvement with raising pheasants from chicks and eggs. He was the one that put this enterprise into action. About the same time, a nearby upland hunting preserve shut down. They were happy to sell us their equipment and share their knowledge, encouragement, and help. The timing was just right for us to start this enterprise.

We gradually added more activities and improved on the ones we already started. We converted a woodshop into a clubhouse for the day hunters. This building is also our customer greeting area; we use it for safety briefings before each hunt. In Pennsylvania, you can purchase a license to make your farm a hunting preserve. This lengthened our hunting season from a couple of weeks for deer and turkey season to about nine months—September 1 to April 30. The upland game hunting includes pheasants, chukar, Hungarian partridge, and quail. We also added an upland bird cleaning service and provided food service upon hunters' arrival. We added bird dog training and horseback riding so we could develop our farm into a year-round business.

We rented our productive cropland to neighboring farmers and began a program of reclaiming (converting) our marginal lands back to wetlands. Vern went to the Natural Resources Conservation Service and told them that he wanted to participate in the Wetlands Reserve Program by reclaiming some of the wet areas that had been drained more than 40 years ago. Our local soil and water conservation district board works with many partners to restore and enhance our natural resources. In 1994, our first pond was funded in part by Ducks Unlimited along with Federal, State, and local agencies. We have constructed 11 ponds since then. A total of five ponds are multi-functional wetland and fishing pond combinations.

The transition has been slow and methodical. We have been able to progress with the help of government agencies, friends, and neighbors.

What decisionmaking process did you use?

We started small and added new activities that seemed to fit the needs and requests of the guests. We started with 350 pheasants plus the wild deer and turkeys. In 2000, we raised over 3,000 pheasants. We buy our other upland game birds from an area entrepreneur on an as-needed basis. These numbers have grown at about the same rate as the pheasants. We do not do any actual planning in this area as the number of hunters determines it. The hunting decisions are made with the guides. We have a very tight set of guidelines for raising the upland game, releasing, and hunting. We meet often and take the guide suggestions as to needs and improvements for the preserve. The guides are the ones in the fields working with the hunters, and we greatly respect their thoughts. Our decisions for the most part are by total group agreement. We operate as a team and conduct each hunt as a team effort.

We make the B&B decisions jointly. We have gathered lots of ideas from others who have been in the business. We did not have a formal business or marketing plan at the beginning but we highly recommend it. We now operate with a business and marketing plan. It helps us avoid mistakes.

How did you acquire information?

Vern grew up in rural America, and he understood wildlife and their habitat requirements. He basically changed the management of the resources from cropland and pasture for livestock to habitat for wildlife. The State Game and Fish Commission, U.S. Fish and Wildlife Service, and Natural Resources Conservation Service provided great technical assistance in wildlife management, wetland development, and pond management. In Northwest Pennsylvania, we have accumulations of heavy, crusted snow (132" total accumulation in the winter of 2000) which creates quite a challenge in meeting wildlife needs. The grasses we grew for livestock did not meet the requirements of nesting birds. So, Vern started planting warm-season grasses to provide the nesting needs and winter food needs. The eastern

gamma grass and switchgrass are serving these needs.

We joined several B&B organizations, attended their meetings and upon return home, tried to implement their suggestions. We learn from others and from listening to our customers.

How did you finance your enterprises?

We were very fortunate to have inherited the land and buildings. This has helped us get started in the B&B and guided hunting businesses. We have understanding lenders who have shared our vision. We were fortunate to have some savings to draw upon. We grow fine hardwood—furniture grade cherry, maple, and oak—that provides a source of revenue. We are very careful with our growth and investment. We justify any changes that we make. Our labor and guides are subcontract employees at this point, so this helps with insurance and taxes. We will eventually need full-time employees, but the subcontract labor has been a great help getting the business off and running. We grew slowly, carefully planning each step, but have remained flexible.

How do you market your business?

You can have the most wonderful idea and facility, but if you don't market it properly, no one will come! We market the B&B, horseback riding, and tourist related activities through organizations such as Tourist Promotion Associations, B&B groups, Pennysaver newspapers, visitor centers, Internet, brochures and flyers. I place brochures wherever people allow me to. Word of mouth is a good advertiser for our B&B. Also, we work closely with other local B&B's in sharing overflow bookings.

Marketing the hunting is a completely different approach. We work sport shows to have actual contact with the hunters who come looking for places to hunt. We are very people oriented, and really enjoy visiting and listening to the hunting stories. Also, we have good luck with hunting magazines and newspaper ads. We are very careful to advertise the hunting only in the hunting-related sources. We have produced a video of the hunts on the farm, and play it at the sport shows. This really draws the crowds. We

send out hunting newsletters several times a year. We keep mailing lists of all hunters and calls, and keep in contact as often as possible.

We have more marketing plan ideas to scope out but they take a lot of money and time. It is all worth the effort, but time is so very important, and we do not want to neglect what we have now. It is possible that we will hire a professional marketing team at some point in the near future.

How do you price your products?

We discussed the B&B prices with other operators in the area and priced our rooms in line with theirs. The same process was used for horseback riding. The hunting is sold as packages, which may include birds, dogs, meals, lodging, and other services. The prices depend on the services wanted. Packages are very attractive to the customer calling for information. The word "package" and what it includes helps sell the business. We will be developing more packages.

What went wrong? And why? How did you correct the situation?

There was a horse arena on the property. We hoped to use it for financial gain. We employed a horse manager to arrange and conduct horse activities such as team penning, roping, cutting, barrel riding, etc. The manager failed to obtain national and state sanctioning twice, and this doomed the enterprise. The smaller non-sanctioned events were poorly attended, so we eliminated the business.

What went right? And why? How did you build on your success?

The B&B was a hit because the guests loved the farm and country atmosphere. But they also liked their privacy and really wanted private baths. The first winter, we shut down the B&B and put in private baths and business increased rapidly. Also, guests requested larger beds so now the rooms have king and queen beds where possible. The hunting grew very fast. We had to hire more guides and order more upland birds. Our pointer dog had puppies that we sold. This added another enterprise of bird dog training and a kennel. We

added ponds throughout the property for the hunting dogs' comfort and to improve the habitat for the wildlife. We have outgrown our clubhouse (old woodshop) and have plans to enlarge the facility. We sell electric dog training collars and instruct owners on how to use them properly. We continue to grow as our guests and the industry identify new needs.

What would you have done differently?

We would not have invested so much money preparing for the horse events at the arena. There were a number of start up costs—electricity, food preparation and eating area, prizes, and etc. One needs to be more financially conservative when you start a new project. You need to go a little bit slower even though you have faith and belief in the new enterprise you are starting.

Where do you plan to go from here?

In the spring of 2001, we concentrated on improving the existing ponds for fee fishing. Also, we are adding three more ponds in the preserve area. We will improve our native grasses and have the neighboring farmer plant corn in the preserve areas. We added small primitive cabins in the preserve areas during the summer of 2001. Campers can use these during the tourist season, and hunters can use them to temporarily escape from the weather or just to take a rest. The cabins are sparsely furnished with bunks, table, chairs, gas stove and a few pots and pans.

Near-term goals are to build a large picnic shelter where we can have picnics for the hunters before and after the hunting season. This will be a fun-time gathering of hunters, their families and hunting buddies. We will also enlarge the clubhouse and install restrooms with showers. Long-term goals are to enlarge our farm by purchasing adjoining lands. We also plan to construct some type of a practice shooting area. We also plan to add some type of horse-drawn buggy or carriage rides for those who would like to see more of the farm, but cannot walk or ride a horse. We would like to conduct off-the-farm seminars for youth on gun handling and safety, hunting dogs and the different breeds and abilities,

and wildlife habitat management. Then, we would take these youths to the farm preserve and demonstrate first hand the joy of hunting safely and show them how we manage the habitat. Finally, we would like to work with the game commission and extend this to the scouts and other youth groups interested in hunting and fishing.

What would be the most important advice you would give other farmers considering an alternative enterprise?

1. Build on the activities in your area. Cooperate with the existing facilities. For us, Pittsburgh University is nearby. The Drake Oil Well, the first oil well ever drilled, is nearby as are water and golf activities.
2. Develop a business and financial plan that outlines how you will develop and operate your business.
3. Obtain a good quality, people-oriented, well-educated workforce.
4. Use the Internet to market your business, as over 80 percent of our business now comes from people who have seen us on the Internet.
5. Work closely with your accountant, lawyer, and insurance and financial advisors. They can be of great help.
6. Be proud to be a farmer.

How did you handle the liability concern?

We worked closely with our lawyer, who advised us to incorporate our business. The state of Pennsylvania helps protect personal assets through the incorporation process. Our accountant advised us how to set up the bookkeeping system, so that all activities were in this "incorporated account" and protected. We also purchased a \$1 million liability umbrella policy. This also offers small medical coverage for the guides. We purchase the insurance from an "outfitters" insurance company, as they are familiar with our type of business.

Do you mind sharing your promotional material? (Including your prices.)

No, people helped us, we would be happy to offer guidelines for others.

What do you dislike the most and like the most?

We dislike the need to make major changes this late in life. Vern worked all his life to get the fields drained and maximize crop production. Now, we're changing back to wet fields! We did not like telling our neighbors that the farm is now a preserve and that they could no longer hunt on the property. Some of them had been hunting on our land since they were children. This was a very difficult period for all of us, but we are all still friends. The old family farmhouse has been changed from large roomy bedrooms that are now small and the closets are gone. It is also chopped up with lots of bathrooms. It was a time for us to change or sell the farm to someone and watch them change it.

We like sharing the farm we love and watching others enjoy it. We hear such nice complements, like "the magic of this farm," "this little paradise here," or "we'll be back and will tell our friends." It is very enjoyable meeting new people from around the country and the world. Every weekend is different; you get lots of practice remembering names. It is very nice to have the bills paid at the end of the month, and have extra left over to go out ourselves.

Would you start this alternative enterprise business today after learning what is involved?

Yes.

What groups/organizations/activities have you joined or become involved in because of the alternative enterprises.

North American Game Bird Association,
Pennsylvania Farm Stay Vacation Association,
Western Pennsylvania B&B Association,
Crawford County Tourist Promotion Association,
and Oil Heritage Tourist Promotion Association.

What conservation and education activities do you have?

Educational activities include guided nature walks, guided bird watching and listening, fly fishing lessons, horse riding lessons, and instructional shooting. Conversation around the B&B breakfast table is often educational about farming and the oil history in the area. All of the hunters go through a safety instruction course before each hunt begins.

Conservation practices include 10 acres of highly erodible land in the Conservation Reserve Program tree plan since 1985. As part of the fishing and nature trails, we plan to use the hunting clubhouse as an educational center where we can show videos and discuss the wildlife on the farm. Every tree cut plan includes den and cavity trees to be preserved for the wildlife. The Wetland Reserve Program is used to develop the eleven areas in the preserve.

What do your customers like the most about your product or enterprise?

The B&B guests tell us they are coming to see the country, farming, and rural areas. They like the down home feeling, and many remember visiting their grandparents' farm. It brings happy memories to many.

The hunters comment on the quality of our guided hunts. Several have hunted across the nation from large estates to the wild. They compliment us on our farm being as close to an actual wild hunt as possible.

Would it be ok for people to contact you? Yes

Do you want additional information? For more success stories and other information, go to <http://www.nrcs.usda.gov/technical/ress/>

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