

South Dakota State University
**Open PRAIRIE: Open Public Research Access Institutional
Repository and Information Exchange**

Economics Commentator

Economics

9-12-1974

The Camping Industry

Arnold Bateman

South Dakota State University

Follow this and additional works at: http://openprairie.sdstate.edu/econ_comm



Part of the [Agricultural and Resource Economics Commons](#), and the [Regional Economics Commons](#)

Recommended Citation

Bateman, Arnold, "The Camping Industry" (1974). *Economics Commentator*. Paper 51.
http://openprairie.sdstate.edu/econ_comm/51

This Newsletter is brought to you for free and open access by the Economics at Open PRAIRIE: Open Public Research Access Institutional Repository and Information Exchange. It has been accepted for inclusion in Economics Commentator by an authorized administrator of Open PRAIRIE: Open Public Research Access Institutional Repository and Information Exchange. For more information, please contact michael.biondo@sdstate.edu.



Economics Newsletter

Editor:
Robert J. Antonides
Extension Economist

Economics Department

• South Dakota State University

• Brookings 57006

• (605) 688-4141

No. 52

September 12, 1974

THE CAMPING INDUSTRY

Growth

The travel and vacation industry constitutes a major segment of the total recreation phase of the economy. A significant growth has occurred in the travel and vacation industry in the country. In several states, including South Dakota, it has become one of the more important industries.

The camping industry is an important segment of the travel and vacation industry. In South Dakota it was young and expanding in the 1960's. From 1970 to 1974 both the private and public sectors of the camping industry continued to grow, but at a decreasing rate. The rate of growth of private campgrounds in the period 1971 to 1974 had slowed to an average of 4.3 percent per year. Most public agencies have shown very little increase in the number of additional campgrounds during this time period.

It appears that the industry underwent a maturing process with a slowdown in the addition of new firms. In the last few years, the development of new private campgrounds have been larger and in many cases affiliated with a franchise.

Investment and Returns

The development of a modern campground requires a sizeable investment in order to provide the facilities and services that appeal to the camping public. In 1972, the average investment per campsite including land, service buildings, recreational facilities, and other amenities, in Western South Dakota ranged from \$866.00 to \$1,903.00 with an average of \$1,515.73. The cost of

development varied with the price of land, the number of sites per acre, the kinds and quality of facilities and the amount of work that the owner is able to do for himself. Profits from these investments are not usually large.

There are several factors associated with the return on investment, each of which have a direct influence on income generated by the camping businesses. Among the more important is the location of the camping enterprise, scale of operation, price level, occupancy rates and length of season. The length of the full-scale campground operating season is directly related to the number of weeks school-age children are on vacation. The major campground season is limited to ten or eleven weeks.

Rental Fees

When a campground entrepreneur establishes site rental fees, he should first take into consideration operating costs, facilities and services provided and occupancy rate trends. Then fees charged by comparable campgrounds should be taken into account. Neglecting to account for operating costs including amortization when determining price levels may result in submarginal or negative returns for the camping business.

In the past, public-operated campgrounds have charged lower fees than those at most private camping firms and in some cases no camping fee at all. This has caused many private campground operators to suggest that public operated campgrounds provide keen competition for them. This may be true. However, most public-operated campgrounds in South Dakota provide a very rustic setting, and perhaps they attract only those

campers who desire that type of a camping experience. If so, private and public campgrounds may not be in direct competition with each other.

As of June 22, 1974, National Forests in Colorado, Wyoming, South Dakota and Nebraska began charging a uniform fee of \$3.00 per campsite per day at locations providing the following facilities: (1) access roads, (2) designated tent or trailer spaces, (3) safe drinking water, (4) refuse containers, (5) toilet facilities, (6) campfire facilities, (7) reasonable visitor protection, and (8) provisions for collection of fees from all users. At Custer State Park, campers are charged a \$2.00 entrance fee and a \$2.00 per day camping fee for use of the campground facilities. For those tourists who stay two days, their camping fee would average \$3.00 per night. The \$3.00 per day fee being charged by the National Forest Service is 26 cents more per campsite than the average minimum fee charged by the private campground operators in South Dakota during the 1973 season.

Outlook

Private campground occupancy rates for the months of May, June and the first part of July were down this year. This would indicate that campers have been less willing to travel long distances because of the energy crisis. As a result, many operators of campgrounds may be faced with a severe

decline in revenue. Campgrounds in rural areas will probably be more affected than those near larger urban centers.

Campground operators may now look with greater interest toward increasing the length of the camper visit at their campground. Under such an arrangement, more income per camping group is guaranteed, alleviating some of the worry created by a decrease in the number of travelers. This position is well stated in a Christmas (1973) message from a campground operator to his patrons:

"This energy crisis is getting us down; We hope it won't lead to an empty campground.

Don't let the gas shortage keep you away When Spring is here, just come and stay."

The private camping firm does have an important role to play in the years ahead. We should not assume that because returns to labor and management are low, and the business season is short, that this will discourage all people from entering and continuing in the private camping business. The highest degree of success will come to the entrepreneur who uses ingenuity and imagination and becomes an innovator among private camping firms.

Any comments may be directed to the writer at the Agricultural Research and Extension Center, 801 San Francisco Street, Rapid City, South Dakota 57701.

Arnold Bateman, Rural Development Specialist

COOPERATIVE EXTENSION SERVICE
U. S. DEPARTMENT OF AGRICULTURE
SOUTH DAKOTA STATE UNIVERSITY
Brookings, S. D. 57006
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF
AGRICULTURE
AGR 101

