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A hedonic analysis of the complex hunting experience



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ABSTRACT

In Denmark, the right to hunt is vested with the land owner but can be transferred to others and is traded on a well-established market. The dominant form of hunting leases is time limited contract transferring the hunting rights on a piece of land to one or more persons. We analyze this market for hunting leases using the hedonic method on a rich set of data obtained from Danish hunters. We hypothesize and show that the price of a hunting lease reflects that hunting is a composite experience; and also reflects aspects relating to the landowners cost of leasing out hunting. Thus, the value of a lease is determined by the location and size of the hunting area, the game harvest and hunting activity itself, several landscape qualities affecting the recreational nature experience, several social aspects of hunting and the relation between the landowner, the hunters and their activities. The results can be used to make informed management and policy decisions that affect wildlife, hunters, landowners and land uses.

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Introduction

Ecosystem services and goods underpin in many ways the economy and our well-being and one of many ecosystem services delivered by nature is the hunting experiences. In many areas income from hunting activities supplements the landowners' income significantly, and outdoor recreation research in the Nordic countries shows that hunters spend a significant amount of income on their hunting hobby, a non-trivial part of this related to hunting leases and fees (Fredman et al., 2010; Jacobsen et al., 2014). While the value of many non-marketed recreational ecosystem services have been extensively researched over the last decades, the value of hunting remains quite understudied, in particular in Europe. Thus, even though the market for various hunting leases is well-established and of considerable size in many countries, little is known as to what determines the price of a hunting lease and hence the value of hunting as a recreational experience (Mozumder et al., 2007). This is unfortunate, as such information will clearly be of value to landowners wanting to improve their property's value as a hunting area, or trying to evaluate the trade-off between having large deer populations to enhance hunting values and suffering the costs of crop damages caused by those same deer. Also, policy makers responsible for regulating hunting as one of many land uses may find useful information in knowing what actually motivates this significant group of stakeholders.

The aim of this study is to investigate what factors determine the price of area based hunting leases in Denmark. To do so, we ask hunters, that are lease holders, how much they pay for hunting rights along with numerous questions about details of the hunting area, their hunting partners, the surrounding landscape and different aspects of the lease contract. On this basis, we estimate a hedonic model, in which the characteristics of the hunting lease are used to estimate the price. While related studies, in particular in the US, have investigated how the price of hunting leases for big game and also area-based leases depends on the natural habitat and the hunting effort, no studies have, to the best of our knowledge, addressed area based hunting leases as quite as multi-faceted a recreational good as we are able to do. We hypothesize and show that the price of a hunting lease reflects that hunting is a composite experience; and also reflects aspects relating to the landowners cost of leasing out hunting.

Previous studies

Hunting contains elements that are clearly consumptive (rival) and elements that are clearly non-consumptive, and thereby it differs from many other nature-based recreational services which, even if excludable, tend to be non-consumptive at least in a physical sense (cf. Vedel et al., 2009). Moreover, it resembles in many ways a service rather than a good, in the sense that the quality of a hunting lease cannot really be inferred before it is experienced through consumption. Furthermore, in a hunting lease the land owner is influenced by the lease holder's activities during the actual consumption. Thus, the factors determining the price of hunting leases are likely to include preferences of the hunters and the costs drivers of land owners.

The economic value of hunting has been subject to a number of studies using different non-market valuation techniques. Many studies operate within a stated preference framework using either contingent valuation (Mattson, 1989; Goodwin et al., 1993; Hussain et al., 2004; Fix et al., 2005; Mattsson et al., 2008) or some kind of choice modelling (e.g. Boxall and Macnab, 2000; Hunt et al., 2005). Stated preference valuation techniques are especially useful when valuing policies or attributes of goods that might not exist yet but they are also often criticized for their hypothetical nature. One alternative in the category of revealed preferences is the travel cost method that assumes weak complementarity between travel cost and the visited (hunting) area. The method has been used by e.g. Knoche and Lupi (2007) and Nguyen et al. (2007) in relation to hunting. However, several – but almost exclusively North American – studies utilize the fact that hunting licences or leases in fact are marketed goods, and applies hedonic type analyses to investigate what determines the price of a hunting lease or big game license (Livengood, 1983; Pope and Stoll, 1985; Messonnier and Luzar, 1990; Le Goffe, 2000; Meilby et al., 2006; Zhang et al., 2006; Hussain et al., 2010; Munn and Hussain, 2010).

Largely, these studies can be divided into studies investigating the pricing of hunting licences specifically for big game or similar, the data often being obtained from auctions or sellers (see e.g.

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