

## The Changing Face of Business in the Heartland



We think the outdoor business world has changed dramatically in the past few years, especially with the onslaught of daily news about global warming. Only a few years ago, corporate executives and government leaders doubted the existence of global warming, but now it appears everyone is proffering opinions and short fixes to a long term problem.

The impact of global warming to outdoor businesses is most visibly felt by the farmer who experiences flash floods followed by periods of drought, the fisherman who witnesses the disappearance of his livelihood, the grocer who sees food prices go up, and the miner who must go down deeper into the shaft to extract the minerals demanded by high consuming societies.

On a more local level, those of us in the Heartland are taking note of subtle and not so subtle changes in our existence. Hit by both high food prices and high gasoline prices, we attempt to drive less and eat less. Adjustments are made in our vacation planning and in our outings. For those of us who own stocks in "outdoor businesses," we take umbrage in the few stocks that are doing well and count our blessings.

To be sure, Utility companies are increasing their research and development of "alternative" energy, auto companies are producing hybrid and biofuel vehicles, and refining companies are adding ethanol to gasoline which theoretically is more "efficient" than regular gasoline.

Fishermen and Hunters are increasing their efforts to save the source of their bounty- the river and the native wildlife. Farmers are learning to use fewer chemicals and pesticides for their crops.

While most sportsfans haven't clamored for "green sports" yet, we think soon the major organized sports will be touting eco-friendly games. A brief on-line survey revealed that for winter and water skiers, scuba divers, and campers there is an

environmental awareness; but that for hikers, birders, swimmers, and bikers “green” wasn’t their favorite color yet.

What does this mean for outdoor businessmen? It depends. Over time, we think there will be a concerted effort by all outdoors people to advocate for change in the way we interact with Nature. This means businessmen will need to consciously design all their products with the environment in mind. The simple truth is, no matter how technologically advanced we are, our survival is still dependent on raw materials. From the fish in the sea, to the food in the fields, to the trees in the forest; the minerals, gas, and oil we extract from the earth; these form the basis for our existence.

In closing, we hope our business reports will provide you with a better understanding of Outdoor Businesses. As good stewards, we are called to be informed and involved in this vital part of the living earth.