

Non-Aeronautical Revenue Growth at Central Wisconsin Airport

By Brian J. Grefe

While pilots descending into the Central Wisconsin Airport in Mosinee are preparing TO land, dedicated farmers down below are preparing THE land...

The Central Wisconsin Airport (CWA) has a long history of leasing agricultural land to area farmers. For years, about 300 acres of land outside the airport's perimeter fence has been used to grow traditional Wisconsin crops such as corn, soybeans, rye, and alfalfa. These leases have made tillable land available to local farmers, while generating a modest income for our regional airport:

In 2018, CWA agricultural leases generated approximately \$69 per acre (over \$20,000) in non-aeronautical revenue.

The last of CWA's long-term agricultural leases expired in 2018. This created an opportunity to form some new community partnerships and to explore additional uses for the airport's agricultural land...

You see, for several years, farmers of a different sort — ginseng farmers — had expressed interest in leasing agricultural land at CWA. Ginseng root has been used since ancient times in eastern cultures as an herbal medicine. Nowadays, it is sold worldwide as a supplement with strength-giving and regenerative properties and is also sold as an ingredient in health and beauty products, food and beverages, and more.

It just so happens that the Central Wisconsin Airport is located in Marathon County — the capital of the ginseng industry in the United States. According to the Wausau/Central Wisconsin Convention & Visitors Bureau (2019), there are over 185 ginseng producers in Marathon County, and 95% of the ginseng root exported from the United States comes from Central Wisconsin. The soil and climate of this region help grow ginseng roots with a high concentration of ginsenosides (the active compound in ginseng), making central Wisconsin ginseng highly sought-after worldwide.

Seizing upon this opportunity, airport officials formed a selection committee in the summer of 2018 to (a) develop an agricultural request for proposals (RFP) and, (b) after reviewing the RFPs, recommend contracts to the Central Wisconsin Airport Board for award. The committee ultimately recommended making approximately half of the airport's available 307 acres open to growing ginseng and to make all leases, whether growing ginseng or not, coterminous at 8 years — recommended because it takes 3 to 4 years to grow mature ginseng.

Growing ginseng is a resource-intensive undertaking: It can only be grown once on a parcel of land. The selection committee did not want to favor the large corporate ginseng farms over the smaller family farms that have a history of successfully growing ginseng. Large farms have the resources to manage a 40-plus acre field and be done with the land in 4 years. But smaller family farms may need to divide a field into smaller sections and plant only about 10 acres per year. Eight years seemed to be the right length to “level the playing field.”

On October 19, 2018, at the Central Wisconsin Joint Airport Board meeting, bids were awarded to the successful proposers. Lease rates for the 135 acres of conventional crops increased modestly to an average of \$79.24 per acre per year. But the success story of the day was in regard to the land leased to ginseng farmers...

The 172 agricultural acres leased to ginseng farmers averaged over \$385 per acre per year for 8 years.

This boost in non-aeronautical revenue will help offset rising expenses, allowing the Central Wisconsin Airport to keep its costs down for its aeronautical users and the traveling public.

In total, the airport sits on 1,800 acres of land. Ginseng farming is but one example of what CWA is doing to maximize non-traditional revenue. Other creative opportunities airport officials are now undertaking include:

- *Managed forestry* — to promote the overall health of the forest ecosystem and to generate additional revenue from timber sales
- *Haying* (inside the perimeter fence) — to manage wildlife, reduce expenses, and generate revenue
- *Archery deer hunting* (outside the perimeter fence) — to manage wildlife and create goodwill as a welcoming community partner

Cultivating industries, crops, and relationships — What a classically Midwestern way to grow revenue, even at an airport.

Source

Wausau/Central Wisconsin Convention & Visitors Bureau. (2019). International Wisconsin ginseng festival. Retrieved from <https://www.visitwausau.com/ginseng-festival>

