

The Equine Industry Structure

The structure of the equine industry is diverse and offers a wide variety of business opportunities. These business opportunities occur both within the traditional definition of an agricultural operation (land and livestock based) as well as in the provision of other products and services which are not farm-based but directly involve and effect the management, production, sale, competition and use of horses in the Commonwealth of Kentucky.

Continual Economic Contribution

The lifespan of equines is longer than the traditional food animal; a horse lives on average 20 years or more. And unlike other livestock, most horses' main uses are in competition (racing or showing) or trail riding. Consequently, the horse remains a part of the industry for a long time, continually consuming Kentucky agricultural products – such as forages, grain, bedding and forestry products. In addition, the horse continues to generate and contribute to the economy in a variety of ways, including through horse show fees and facility rental, lodging and meals, race fees and auction sales, truck and trailer purchases, fuel purchases, riding, driving and stable equipment purchases, the use of veterinary pharmaceuticals, competition and riding apparel purchases, boarding, training, farrier and veterinary services, tractor and farm machinery purchases, and employment opportunities for permanent and seasonal workers.

The Producer/Breeder

The horse breeder is the supplier of animals for all horse activities. Horse breeders must react to socio-economic changes in the U.S. and the global economy by continually producing quality horses to sustain their business and branding status in their industry. Due to the differences in the various breeds and disciplines in the horse industry, finding a niche for their horses can be a challenge. They need to time their marketing with the appropriate age and value-added components, such as training. There is no regular direct market or contract growing like in the beef cattle, sheep and swine industries. Unlike a food producer, they have the additional challenge that the average horse breeder's product may not reach its market potential until 36 months or longer from conception. Thus, breeders must be able to better predict demand in the future, often by at least three years or more, to ensure they have the quality and quantity of horses dictated by the market.

Value-Added Services

Those who prepare this product for sales and use, such as trainers and sales prep companies, must continually fine tune their offerings based on the market. In the recent

past, for example, we have seen an uptick in interest in the "reining horse" due to its inclusion in the Olympics. Trainers who can quickly react to this type of market trend will successfully expand their business, creating jobs and economic impact for the industry.

Business Partners

All farms with horses, whether they are breeders, trainers, boarding facilities, lesson barns or even private residences with horses for personal use, consume Kentucky agricultural products required for such operations. A growing equine industry allows ancillary business partners to expand their opportunities through additional products and services, which will positively impact Kentucky and the Commonwealth's farm economy. Examples of these business partners include veterinarians, farriers, barn and fencing builders, feed and bedding suppliers, insurance providers, and marketing services.

In addition, all horse-related products and service providers are essential to the make-up of the industry within Kentucky by sustaining and adding value to the horses. The services provided by trainers, lesson barns, sales facilities, horse camps, etc. provide the infrastructure needed to ensure introduction of horses to the general public and continuation of affordable horse ownership.