



Economic Value of Horses in Minnesota

Brian Buhr

University of Minnesota

Department of Applied Economics

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Objectives

- Identify Types of Activities and Operations.
- Identify Number and Location of Operations.
- Estimate Economic Value of Horses.
- Develop Recommendations For Further Study.

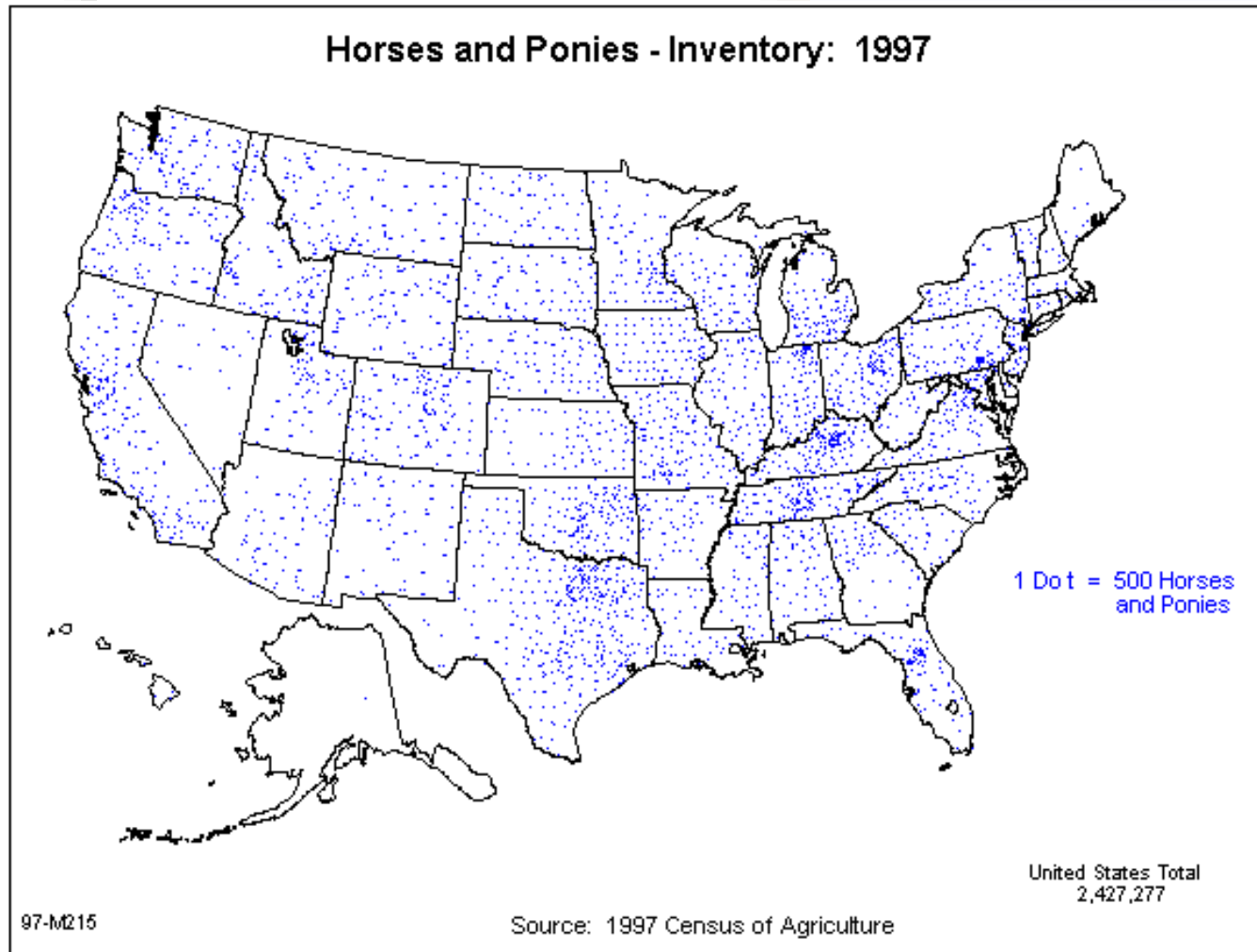
Minnesota's National Rank...

Item	Rank	Minnesota's Value	National Average	Leading State	Leading Value
Horse Inventory	9	155,000 hd	106,300 hd	Texas	600,000
Value of Sales	15	\$18 million	\$35 million	Kentucky	\$650 million
Value of Sales/Head	45	\$1,200/hd	\$3,145/hd	Kentucky	\$23,214/hd

Minnesota Has 155,000 horses (unknown by use) and one Race track, Canterbury Park. Economic Value is Affected by Distribution of Horses by Type of Use.

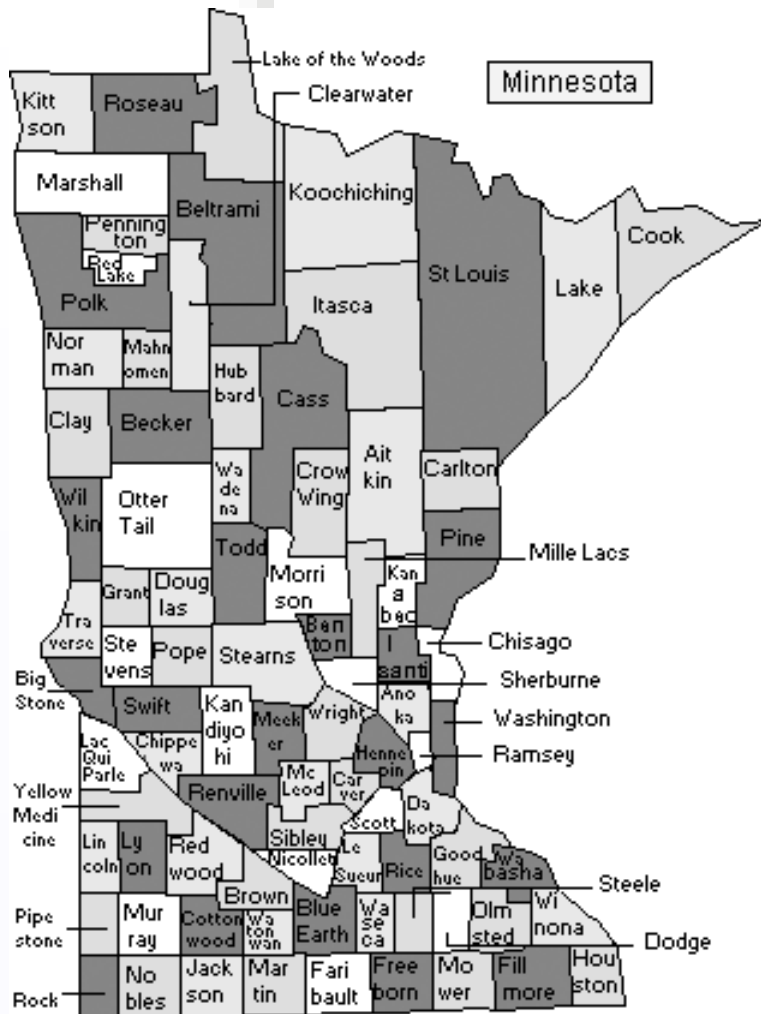
Source: USDA, NASS, Equine Inventory, Released March 2, 1999.

National Horse Inventories



Source: USDA, Census of Agriculture, 1997.

MN County Rankings: Horse Farms



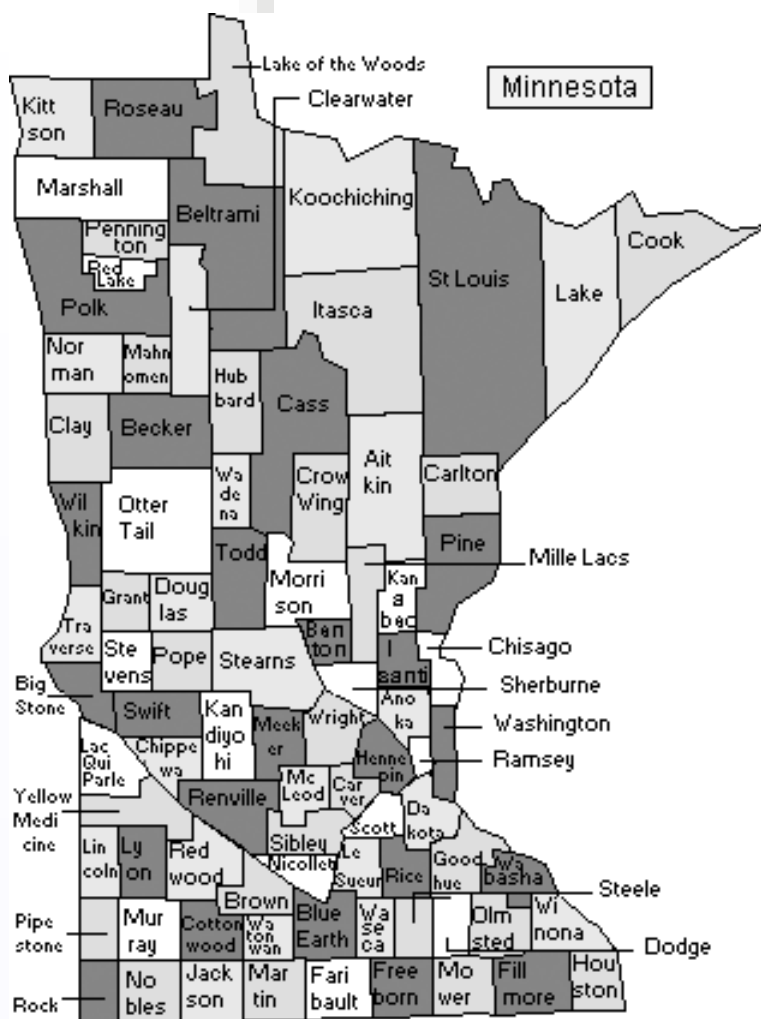
County	Farms	Horses
Ottertail County, Minnesota	307	1,453
Stearns County, Minnesota	262	1,638
Wright County, Minnesota	243	1,814
Fillmore County, Minnesota	240	1,824
Todd County, Minnesota	234	1,171
Morrison County, Minnesota	215	1,188
Olmsted County, Minnesota	210	1,306
Pine County, Minnesota	200	1,062
St. Louis County, Minnesota	194	1,235
Isanti County, Minnesota	190	1,191
Goodhue County, Minnesota	186	1,146
Washington County, Minnesota	176	1,996
Scott County, Minnesota	173	1,467
Chisago County, Minnesota	161	1,046
Cass County, Minnesota	157	1,308
Beltrami County, Minnesota	155	971

Yellow = Metro County

Source: USDA, Census of Agriculture, 1997.

Metro County – Directly Borders Hennepin or Ramsey

MN County Rankings: Value/Head Sold



County	Value/Head Sold	Inventory
Wright County, Minnesota	\$6,251.68	1,814
Ramsey County, Minnesota	\$6,083.33	34
Blueearth County, Minnesota	\$4,208.33	638
Hennepin County, Minnesota	\$4,175.57	1,864
Anoka County, Minnesota	\$3,297.71	1,232
Carlton County, Minnesota	\$3,158.73	605
Wabasha County, Minnesota	\$2,988.37	774
Lesueur County, Minnesota	\$2,266.67	377
Clay County, Minnesota	\$2,218.75	719
Faribault County, Minnesota	\$2,130.43	260
Washington County, Minnesota	\$2,002.82	1,996
Scott County, Minnesota	\$1,925.62	1,467
Rock County, Minnesota	\$1,676.47	293
Steele County, Minnesota	\$1,567.16	426
Sherburne County, Minnesota	\$1,537.50	690
Chisago County, Minnesota	\$1,517.24	1,046
Swift County, Minnesota	\$1,500.00	244
Renville County, Minnesota	\$1,489.36	394
Polk County, Minnesota	\$1,462.96	482
Benton County, Minnesota	\$1,403.85	723
Watonwan County, Minnesota	\$1,360.00	175

= Metro County

Source: USDA, Census of Agriculture, 1997.

Metro County – Directly Borders Hennepin or Ramsey

Summary of Minnesota Horse Inventories and Value

- Most recent available data is 1997.
- Farms with horses are located in rural counties.
- Value of horses increases dramatically in “Metro Area” counties.
- Hypothesis that value increase reflects increased use of horses for show and racing in metro region. May also reflect income demographics of horse-owners.

Horse Activities and Uses in Minnesota



- Racing Activities – Canterbury Park
- Pleasure Horses
- Trail Riding
- Show and Equestrian Events
- Farm and Ranch
- Breeding

Horse Related Expenditures

- Feed and Supplements
- Grain
- Hay
- Bedding
- Health and Veterinary Care
- Boarding and Training Fees
- Farrier (hoof care and shoeing)
- Breeding Fees
- Labor
- Supplies
- Tack and Clothes
- Fuels
- Insurance

Comparative Estimate for

Minnesota:

\$4,300/head (\$2,400-\$8,800)

\$678 million per year

Horse Related Assets

- Land, Fences and Buildings
- Vehicles, Tractors, Equipment
 - Manure spreaders, starting gates, hot walkers, treadmills, horse trailers, vans, etc.
- Tack Equipment and Clothing
 - Saddles, bridles, halters, riding/driving/racing equipment, grooming equipment, blankets, etc.

***Comparative Estimate for Minnesota:
\$37,494/head (\$36,628 - \$59,843)
~\$5.8 billion total assets***

Horse Related Income

- Sale of Horses
- Training
- Sales Preparation
- Boarding/Lay-ups
- Manure Sales
- Racing Purses
- Stallion Services Fees
- Lessons/Clinics
- Leasing Animals
- Show Winnings
- Tourism/Guest Farms
- Trail Riding
- Feed Sales

*Comparative Estimate for
Minnesota:*

\$2,000/head

~\$312 million

Source: Penn State Study

Horse Comparative Economic Impact Estimates in Minnesota

- Direct Economic Impact
 - \$2,980 – \$4,157/head, Average = \$3,569/head
 - **\$553 million**
- Total Economic Impact
 - \$5,211 - \$6,793 /head, Average = \$6,002/head
 - **\$930 million**

Type of Activity Affects Economic Impacts -- Racing

	Number Race Tracks	Number Horses	Value per Track	Value Per Horse
U.S. National	175	725,000	\$ 194,285,714	\$ 46,897
California	20	69,000	\$ 205,000,000	\$ 59,420
Florida	5	37,000	\$ 420,000,000	\$ 56,757
Illinois	7	52,000	\$ 285,714,286	\$ 38,462
Ohio	8	40,000	\$ 162,500,000	\$ 32,500
Pennsylvania	4	26,365	\$ 133,000,000	\$ 20,178
Oklahoma	4	42,000	\$ 130,162,750	\$ 12,396
Average			\$ 218,666,107	\$ 38,087
Maximum			\$ 420,000,000	\$ 59,420
Minimum			\$ 130,162,750	\$ 12,396

Minnesota Has 155,000 horses (unknown by use) and one Race track, Canterbury Park. Economic Value is Affected by Distribution of Horses by Use.

Type of Activity Affects Economic Impacts -- Shows

	Number Horses	Value Per Horse
U.S. National	1,900,000	\$ 18,316
California	190,000	\$ 16,842
Florida	167,000	\$ 19,162
Texas	239,000	\$ 6,695
Oklahoma	122,000	\$ 9,836
Pennsylvania	29,100	\$ 17,629
Average		\$ 14,747
Maximum		\$ 19,162
Minimum		\$ 6,695

Includes: dressage, jumping, steeple chase, hunter, rodeo, etc.

Type of Activity Affects Economic Impacts -- Pleasure

	Number Horses	Value Per Horse
U.S. National	2,900,000	\$ 8,207
California	278,000	\$ 10,072
Idaho	46,000	\$ 4,804
Texas	180,000	\$ 5,528
Pennsylvania	188,635	\$ 6,401
Average		\$ 7,002
Maximum		\$ 10,072
Minimum		\$ 4,804

Horse Racing and Showing Consistently Show Greater Economic Activity or Intensity Due to Related Spectator, And Event Related Expenditures (concessions, hotels, food etc.)

Location and Type of Activities Affects Economic Distribution

- Rural Activities
 - Horse breeding, rearing training, etc.
 - Nationally estimated to account for \$22.5 billion in rural direct economic impact.
- Urban Activities
 - Racetracks, Equestrian Shows and Events (e.g., Minnesota Annual Horse Show in St. Paul)
 - Nationally estimated to account for \$2.8 billion in urban direct economic impact.

Feed and Crops is The Largest Sector Affected by Horses...

- Estimated Direct Feed Value Utilized Annually by Horses in Minnesota (based on recreational horse).
 - \$35.6 million total
 - ~ \$10 million in concentrates (e.g, oats, corn)
 - ~\$26 million in forage (e.g, hay, grass, etc.)
- Value Depends on Type of Horse
 - Race horses estimated to utilize approximately twice the value of feedstuffs as recreational horses.
 - Show horses utilize approximately 25 percent more.

Estimates cited in American Horse Council, Economic Impact of Horses in the United States

Other Benefits of Horses

- Supports Land Preservation In Urban/Rural Interface— Green Space.
- Youth Education and Responsibilities.
- Builds Community Through Associations.
- Agricultural Infrastructure Support.

Summary – Economic Value of Horse Industry In Minnesota

- Total Direct, Indirect and Induced Economic Impact is Estimated at \$1 billion/year.
- All Metro and Rural Counties are Impacted by the Horse Industry.
- In 1997, Minnesota Ranked 9th in Horse Numbers, but 45th in Horse Value.
- Increasing Economic Activity and Value of the Horse Industry is Directly Related to Horse Racing and Showing Activities.
- All Values are Comparative to Other State and National Studies – Given the Value of the Horse Industry a Direct Evaluation of Minnesota's Horse Economy is Warranted.

What Does Comparative Assessment Mean?

- Data on Minnesota Equine Industry is Very Limited.
 - Breed Types, Activity Types, Values, Locations of Horses are Unavailable.
 - Direct Data Sources Include USDA, NASS and Agricultural Census.
 - *Need* Major Survey to Investigate and Understand Equine in Minnesota.
- Inferences and Relationships are Drawn From Previous Literature of Other States' Analysis of Equine Industries.
 - Attempt to provide ranges and averages of values.
 - Similar in Concept to Meta-Analysis, but more limited due to limited number of studies available.
- Interpretation of Results
 - Provides insights into relative differences, but absolute values are rough estimates.
 - Provides insights into the day-to-day expenditures, activities and values associated with equine.
 - Provides insight into data and information necessary to complete a primary study of Minnesota Equine.
- Key Factors Affecting Outcome of Comparative Assessment
 - Land values and crop values differ geographically.
 - Population numbers and demographics such as age and income differ.
 - Breeds of animals in horse population and their use (e.g., race breeds vs. draft breeds).
 - Number and reputation of events such as races and shows.

References for Comparative Analysis

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