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Oklahoma Horse Industry Trends

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Throughout the state's history, horses have been closely linked with the livelihood and quality of life of Oklahomans. Those involved with horses have broad ranges of interests and diverse levels of involvement. The current day horse industry is represented by individual horse ownership, production and use farms enterprises, agribusinesses which support ownership, production and use, and tourism and event management businesses. Because of this diversity, general descriptions of the Oklahoma horse industry are difficult to provide. Nonetheless, several demographic and economic indicators provide evidence that the industry has a major impact on the state economy and the quality of life of many Oklahomans. This report provides a summary of information on the size and significance of the Oklahoma horse industry.

Historical Estimates of Horse Numbers in the United States and Oklahoma

Several different groups have made efforts to characterize the size of the horse industry in the U.S. Estimates will vary because of different methodologies used in studies. Also, some studies are intended to account for specific groups of horse owners, so estimates are not intended to be all inclusive.

A study funded by the American Horse Council (AHC) estimated there were 5.25 million total equine in the U.S. in 1986.¹ During the same time period, the American Veterinary Medical Association (AVMA) estimated that there were 6.6 million equine in the United States that were owned by households, which did not include those cared for by ranches, farms or other horse operations.²

The AVMA has since reported that their estimates declined to 4.9 million horses owned by households in 1991 and 4 million in 1996.^{3,4} The AHC estimated there were approximately 6.9 million equine in the U.S. in 1996.⁵ Within that amount, about 10 percent were connected with the racing industry, 28 percent with showing, 43 percent with recreation, and the remaining were identified as other. The number of horses and other equine on agricultural farms, as defined by the U.S. Department of Agriculture (USDA), was estimated at approximately 3.1 million head in 1997.⁶

A 2005 study commissioned by AHC Foundation estimates there are approximately 9.2 million horses in the U.S.⁷ Of that

amount, about 40 percent are primarily identified with recreational activities, 30 percent with showing and 12 percent with racing. This amount compares with the 2002 USDA census of horses and other equine on farm of approximately 3.7 million head, and 2001 AVMA estimates of 5.1 million horses owned as pets.^{8,9} Comparison of past and present estimates of horse numbers by USDA, AVMA and the AHC are in agreement that the horse population in the U.S. has had an annual growth of 3 to 5 percent from 1996 to 2005.

There was also a reported increase in horse numbers in Oklahoma during the same period of time. The AHC estimated Oklahoma horse numbers at about 225,000, 278,000 and 326,000 head in 1986, 1996 and 2005, respectively.^{1,10,11} These figures represent an annual increase in the horse population of Oklahoma of about 2.3 percent from 1986 to 1996, and 1.9 percent from 1996 to 2005. USDA census data of all equine on farms in Oklahoma has varied tremendously with estimates of 112,000; 150,000; and 36,000 head in 1997, 2002, and 2007, respectively.^{6,8,12}

The AVMA 2007 report on pet ownership estimated there were 7.3 million pet horses in the U.S. at the end of 2006, which is an increase of 2.1 million from similar estimates reported for 2001.¹³ AVMA study methodology divides the U.S. into regions. Numbers of horses reported as owned as pets in the West South Central region (Texas, Oklahoma, Louisiana and Arkansas) increased from 615,000 head in 1996 to approximately 700,000 head in 2001.^{4,9} Current AVMA estimates identifies the region to have 1.186 million head, which is the second largest number of horses owned for noncommercial reasons behind the Pacific Region of Washington, Oregon, California, and Nevada.¹³

The most current, comprehensive source of demographics of the Oklahoma horse industry lists horse numbers in the state at approximately 326,000 head.¹⁴ The AHC study provides ownership demographics and economic impact figures for the U.S. and fifteen states with large horse populations and horse industry economic impact. Of these breakout states, Oklahoma is fourth in total horse numbers behind Texas, California, and Florida. Combining AHC estimates with census and geographical data, Oklahoma ranks first in number of horses per capita,¹⁵ and ranks fifth behind Florida, Kentucky,

Ohio, and Indiana in number of horses per square mile.

Most horse breeds characteristic to the United States can be found in Oklahoma. As a percentage of the total numbers of horses, predominant breeds in Oklahoma are the Quarter Horse, various stock color breeds, and the Thoroughbred. The American Quarter Horse Association and AHC estimate about 191,000 head of Quarter Horses were in Oklahoma in 2005.^{14,16} This represents almost 60 percent of the total Oklahoma horse population. Thoroughbreds represent about 7 percent, and other horses, including registered and unregistered horses account for the remaining 34 percent.¹⁴

The size and diversity of the state's horse population is evidenced by the number of active state-level associations representing ownership of numerous breeds of ponies, pleasure-type horses, stock-type horses, donkeys, mules, and draft horses. Although many breeds represent a smaller percentage of the total horse numbers, many can provide examples of nationally-recognized, Oklahoma-based production and use enterprises.

Characterizing Oklahoma Horse Industry Interests

The horse industry involves an interrelationship of private horse owners, commercial production, use and support enterprises serving horse owners, and spectator oriented events and activities. People own horses for a variety of hobby and business interests. Oklahomans list pleasure and enjoyment, competition, youth development, and a variety of business uses as reasons for owning horses.¹⁷ Types of horse operations in Oklahoma include breeding farms, suburban residences, boarding stables, training and breeding facilities, and small to large acreage farms and ranches.

Horse Owners

The AVMA estimated that 2.6 percent of the households in the West South Region of the U.S. owned horses for non-



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commercial uses in 2006.¹³ The AVMA further estimated that on a national level, about 35 percent of the horse-owning households owned one horse, about 40 percent owned two to three horses, and 25 percent owned four or more horses.

The AHC estimates that 60,929 Oklahomans over the age of eighteen own horses, with a total of 117,886 people participating as owners, family members and volunteers, or employees of horse industry enterprises in the state.¹⁴ The AHC estimates of horse owners and horse numbers suggest an average of five head per owner.

County-level surveys have provided similar estimates on the average number of horses owned; however, there are actually two large groups of horse owners in Oklahoma.¹⁷ Those owners involved with horses for hobby average about three to four head. Those who indicate horse ownership as part of a horse business average about 15 head per owner. These averages represent large ranges in numbers of horses owned for both hobby and business purposes.

As with horse numbers, the amount of investment horse owners have in horse operations varies between those involved for business and hobby reasons. A 1992 study comparing horse activities in two different counties in Oklahoma suggested average investment of facilities, capital equipment, and special tools and supplies in horse businesses to be about \$80,000 per owner.¹⁷ Those owners involved for hobby interests indicated investments at about \$20,000 per owner. These averages do not include land as horse investment, and averages represent wide ranges. As a case in point, more recent surveys of racehorse owners suggest average levels of investment in horses, land, and facilities of around \$220,000 per owner.¹⁸

Estimates of annual costs of owning horses characterize the economic activity of horse ownership. Ownership and operating costs of owning one horse for hobby was estimated at \$2,000 annually in a study conducted in 1993.^{17,19} This estimate does not include labor, travel, and use expenses and would be influenced by differences in number of horses owned and amount of horse use.

Commercial Enterprises

Commercial horse enterprises include breeding farms, training farms, boarding stables, camp and trail-ride businesses, horse sales, and a host of affiliated enterprises.

The horse production industry is large, diverse, and sectionalized. As such, there is a large range in owner costs and investments. The annual cost of maintaining a broodmare in commercial production was estimated at about \$3,500 in 1989.²⁰ This estimate included operating and fixed costs such as sale fees of offspring, feed, health care, labor, equipment repairs, and interest and depreciation on capital assets. This cost did not include breeding fees. The same study estimated that between \$5,000 and \$6,000 was necessary to cover the cost of yearling production in 1989.

Many nationally recognized training centers for show and racehorses are based in Oklahoma. State-based affiliated industries such as trailer manufacturing businesses, tack and clothing manufacturing businesses, and agricultural



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enterprises (e.g., feed manufacturing) represent significant levels of investments and economic activity directly related to horse production and ownership.

Horse Racing Industry

Estimates on the 1993 Oklahoma race industry suggest about 3,700 Oklahomans owned 42,000 horses used for racing or racehorse production.¹⁸ These owners averaged about \$250,000 in land, building, facility, equipment, and horse investments. The same study suggested about 1850 Oklahoma-based racehorse trainers had average investments of \$183,000 in land, facilities, machinery, tack, and horses in their horse training enterprises. Calendar year 2007 was the twenty-fourth year of pari-mutuel racing in Oklahoma with four sanctioned pari-mutuel racetracks conducting 198,849 official races including 196,218 simulcast races.²¹

Spectator and Horse Use Events

Numerous communities, state, regional, national, and world-level horse events are held annually across Oklahoma. Events such as horse shows, horse races, rodeos, and trail rides contribute significantly to the economies of many Oklahoma communities. The estimated economic impact of fifteen of the national and world level horse shows held in Oklahoma City alone is more than \$100 million annually.²²

The economic impact of equine activities is so significant that many communities have large investments in horse-use facilities. Even smaller, area-wide events such as community rodeos and local horse shows provide significant economic input to many areas in Oklahoma.

Estimates of Economic Impact

According to a 2004 AHC study, the gross domestic product produced from the Oklahoma horse industry accounts for a combined direct, indirect, and induced effect

of \$1.2 billion.¹¹ The contributions of showing and recreation activities each account for about 30 percent of this estimate, racing 15 percent, with the remaining 25 percent attributed to other activities.

Trends in the Horse Industry

One of the main reasons for interest in the horse industry is that it is a tool to improve the quality of human life. The horse is a model animal for people to use in leisure activities and use as a youth educational tool. Households with children are most likely to own horses.¹³

Numerous state-level breed and sport associations have large membership lists and are continually attracting new members. The number and level of activities of associations catering to specific sports, such as reining, has increased. Breed associations have documented an increased interest among novice and amateur competitors, and are expanding their emphasis to promote non-arena activities such as pleasure riding and trail riding.

Changes in incentive programs which have increased purse supplements and breeders awards, and state laws legalizing simulcasting and off-track betting have influenced racehorse production, use, and race track activities.

Oklahoma has a reputation for being a national center for horse activities. It is a leading state in stock horse production, and has numerous commercial horse enterprises including sale facilities, trailer manufacturers, and feed milling businesses. Oklahoma is the site for numerous show competitions which draws exhibitors and spectators from around the world. It is unique for a state to have this level of activity in all sectors of the horse industry.

The Oklahoma horse industry's economic impact and distribution of horse numbers across the state is largely unquantified. Horse owners, city and state level public officials, and private businesses routinely request information on the state's or a particular locality's horse industry. Continued efforts are needed to gather information that would assist the economic growth and development of one of the largest industries in the state.



Many Oklahomans enjoy recreation through leisure activities involving horses.

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Issued in furtherance of Cooperative Extension work, acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture, Robert E. Whitson, Director of Cooperative Extension Service, Oklahoma State University, Stillwater, Oklahoma. This publication is printed and issued by Oklahoma State University as authorized by the Vice President, Dean, and Director of the Division of Agricultural Sciences and Natural Resources and has been prepared and distributed at a cost of 20 cents per copy. Revised 0909 GH.