

Rural Ontario's 'Hidden' Sector: The Economic Importance of the Horse Industry

Final Report - 2009



Photo Credit: J.W. Wilton

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Executive Summary

This report provides a summary of a survey conducted in 2009 related to the economic impact of the Ontario equine industry. An on-line survey methodology was employed and a total of 1,680 responses to the survey were collected.

The survey results indicate that the majority of the participants in the equine industry, particularly in the 'sport and recreation' components of the industry are female and aged 40-59. While respondents indicate that they plan to stay involved in the equine sector for as long as they possibly can; 6% of the respondents have been horse owners for one year or less. This raises further research issues related to education and outreach for the equine sector as new owners come on stream.

86% of survey respondents answered that the horses living on their properties would not have been counted in the last Census of Agriculture. This represents a high level of inaccuracy related to statistics on the equine industry in Ontario which makes it difficult to create appropriate policy, programs, outreach, and education programs for this sector. The equine industry is diverse in Ontario with participants involved in a number of racing, competitive sports, recreational pursuits and breeding programs. Participants in the equine industry invest considerable amounts of money into the care and well-being of their animals with the survey respondents showing average annual expenses of \$6,900.00. Owners of farms dedicated to the care and maintenance of horses also show a high level of investment in their properties with an average response per survey respondent of \$164,000.00 over a 5-year period. Survey respondents also indicate support for the protection of agricultural land in Ontario as well as continued access to public land for trail riding.

Further research should be conducted on the equine sector in Ontario to fully investigate the economic, social and environmental aspects of this industry. With the evolving challenges facing rural Ontario, it will become increasingly important to understand all of the sectors who have a role to play in the mosaic of the Ontario countryside. In addition to the land use issue, it will also become increasingly important to be able to meet the needs of the equine sector in terms of animal welfare and environmental management of farm properties.

Introduction

The equine industry has been growing and evolving in Ontario over the past twenty-five years, however, there has not been a comprehensive effort to study or to understand the breadth and depth of this unique sector of the Ontario agricultural industry. The 1996 Ontario Horse Industry Report by Dr. Robert Wright and Jim Cation (with a partial update in 2006) has provided the most accurate estimates of the impact of the equine industry in Ontario and this current report is intended to provide a more detailed update of that report.

This report developed out of a research project supported by the Sustainable Rural Communities research fund as part of the OMAFRA/University of Guelph research agreement. The original purpose of the research project was to explore the social and economic impacts of the equine industry in the rural areas of Ontario. The primary research question was as follows:

- In view of the increasing popularity of horses, how does the equine industry fit in to the rural regions of Ontario?
 - What is the economic contribution of the horse industry?
 - Are there social, environmental and recreational benefits to the individual and to the rural community?

In response to the second question regarding the economic impact of the equine industry, it was determined that an effort should be made to update the information found in the 1996 Ontario Horse Industry Report by Wright and Cation. To accomplish this objective, an online survey was developed and promoted throughout the industry with the assistance of Equine Guelph in particular. More details on the survey are found in the methodology section of this report.

The survey included a wide variety of questions related to the equine industry such as number of horses, length of time in the industry, equine-related business questions, investments in horses and infrastructure, and opinions on the strengths and weaknesses of the Ontario equine industry. The results of the survey have been compiled and are presented in the body of this report.

Background

While the equine industry has been expanding in recent years in Ontario, most notably with a 16.7% increase in the number of horses between 2001 and 2006 (see table 1), there has been limited investigation of this sector by either provincial or municipal government agencies.

Census Year	Census Horse Population	Percent Change (from previous census)	Census Farms Reporting Horses	Estimated Horse Population (Wright)	Estimated Number of Horse Facilities
1991	75,132	0.2	12,353	293,015	48,198
1996	76,553	1.9	NA	298,582	49,114
2001	83,337	8.9	11,258	325,156	53,485
2006	97,285	16.7	12,333	379,412	62,417

Estimated number of horses and horse facilities in the province of Ontario, base on a 3.9 multiplier effect as per Wright and Cation, 1996.

The equine industry in Ontario is very diverse and is distributed spatially across the province with various nodes of concentration close to urban areas such as the Greater Toronto Area and Ottawa. Wellington County in South-western Ontario has seen the greatest increase in the number of horses in Ontario over recent years as shown in table 2.

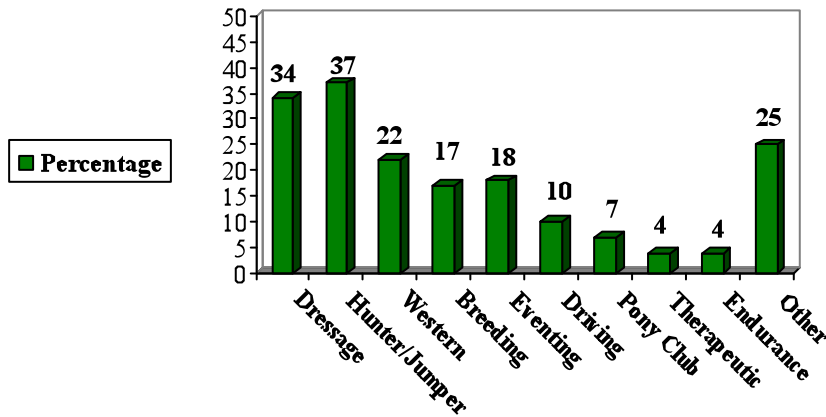
County or Regional Municipality	Estimated Number of Horses 2001	Estimated Number of Horses 2006	% change
Wellington County	18,293	27,530	+50.5%
Grey County	14,005	21,754	+55.3%
Simcoe County	14,581	19,516	+33.8%
Durham Regional Municipality	18,341	18,147	-1.1%
Waterloo Regional Municipality	15,017	17,636	+17.4%
York Regional Municipality	19,544	16,735	-14.4%
Middlesex County	17,152	16,684	-2.7%
Bruce County	9,546	13,549	+41.9%
Huron County	8,171	12,890	+57.8%
Perth County	9,430	12,780	+35.5%

Estimated number of horses and % change in selected counties across Ontario between 2001 and 2006 (Wright, 2007).

A detailed breakdown of census horse numbers is available on the Statistics Canada website, however it is interesting to note that horses are listed under the category “Other livestock and Bees”.

The Ontario equine industry is comprised of a broad range of racing, sport, recreation, and breed interests. There is both a thriving harness horse racing industry and a thoroughbred racing industry as well as an emerging quarter horse racing interest. The equestrian sports of show-jumping, dressage, eventing are well represented in Ontario as well as hunters, western riding, driving, heavy horses, endurance riding, and pleasure riding. As an example of the diversity of the Ontario equine industry, a 2007 survey of the membership of the Ontario Equestrian Federation resulted in the following distribution of disciplines as shown in figure 1.

Percent participation in various equestrian disciplines by survey respondents



Participation in equine disciplines based on a 2007 survey of the membership of the Ontario Equestrian Federation (N=565).

* Numbers do not add up to 100% as respondents were able to check more than one discipline.

** Other category includes such activities as fox-hunting, trail-riding, summer camps, drill teams, mounted games, and miniature horse clubs.

Methodology

A novel approach was employed for this study in an effort to reach as broad an audience as possible within the Ontario equine community. Limited funding also placed restrictions on the methods available for data collection therefore an on-line survey software package was employed. This on-line methodology was designed to facilitate participation in the survey from as many people as possible while also keeping data collection costs to a minimum.

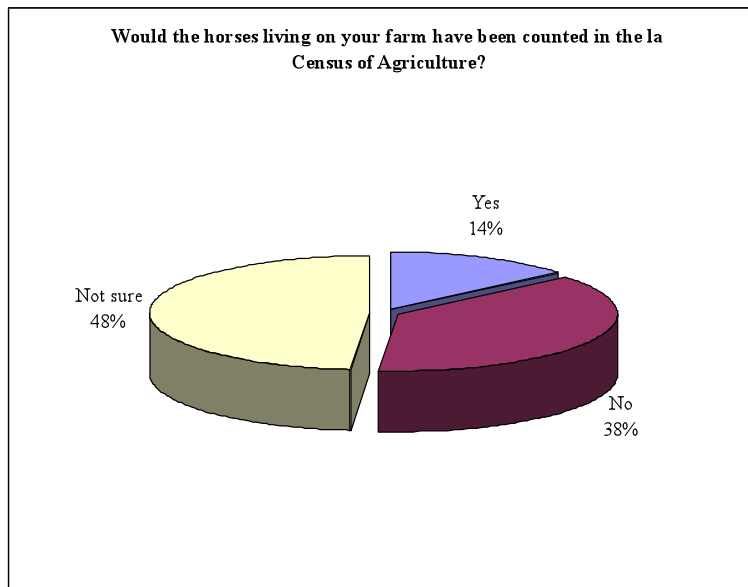
The survey was comprised of fifty (50) questions covering horse ownership, horse expenses, horse farm ownership, property investments and general information about the equine industry. The survey was broadly advertised through print media and on-line media sources. By the survey deadline, a total of 1,680 responses had been gathered from across the province.

While this survey did not duplicate the data collection procedures from the 1996 Horse Industry Report by Wright and Cation; efforts were made to collect similar information on the Ontario equine industry. The results of this survey are presented in the following sections of this report.

Results

The Ontario Horse Population

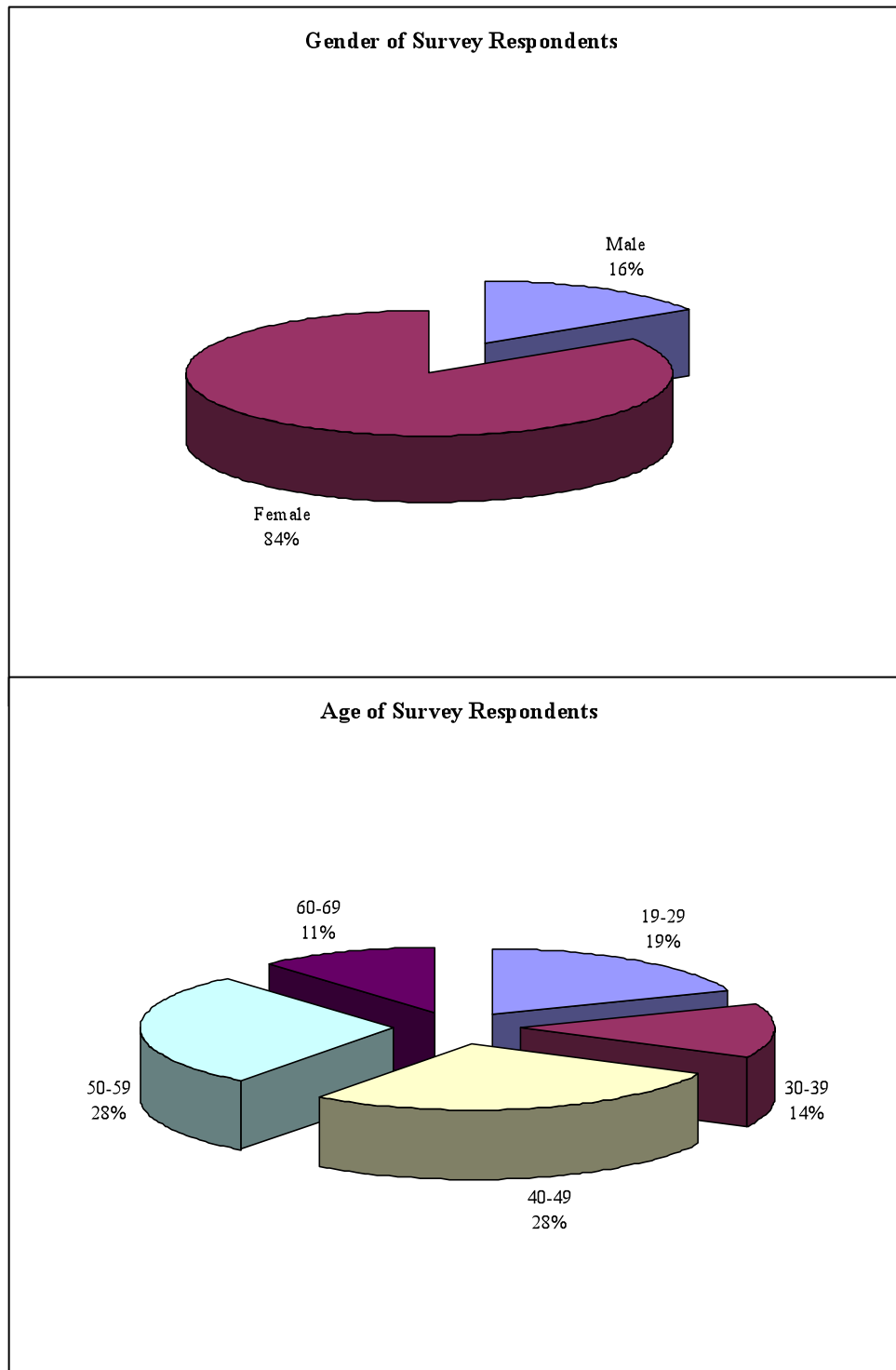
- As previously stated, the Ontario horse population is estimated to be 379, 412 as of the 2006 Census of Agriculture
- A total of 8,058 horses were owned by the respondents of this survey with an average of 5 horses per respondent
- Only 14% of the respondents identified that the horses living on their properties would have definitely been counted in the last Census of Agriculture (with 48% not sure), indicating a high level of under-reporting of the Ontario horse population.



The Ontario Equine Industry

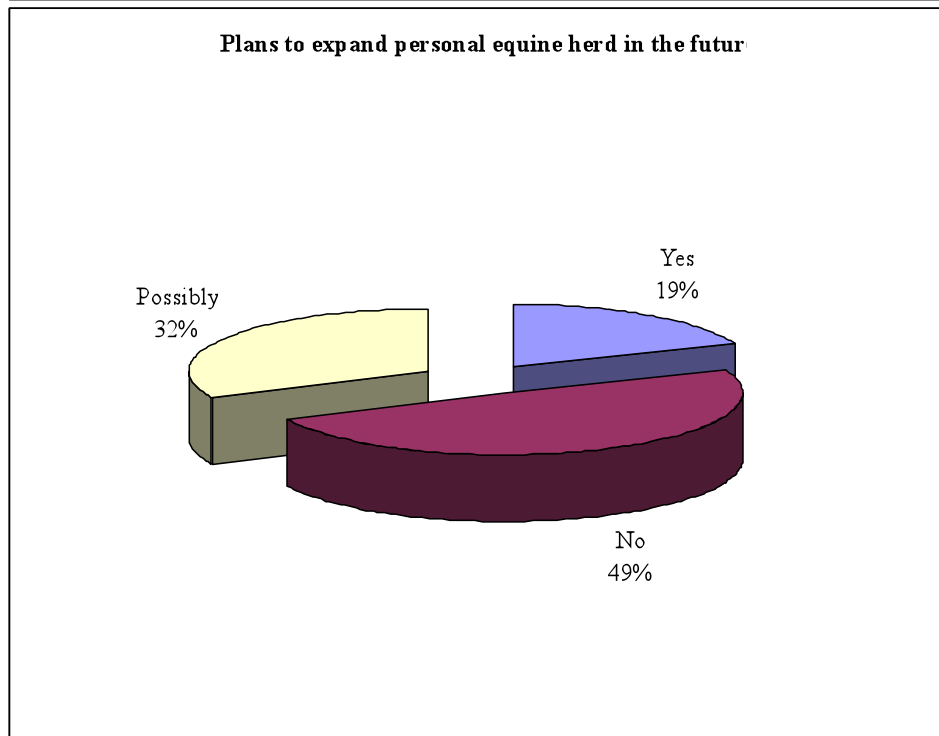
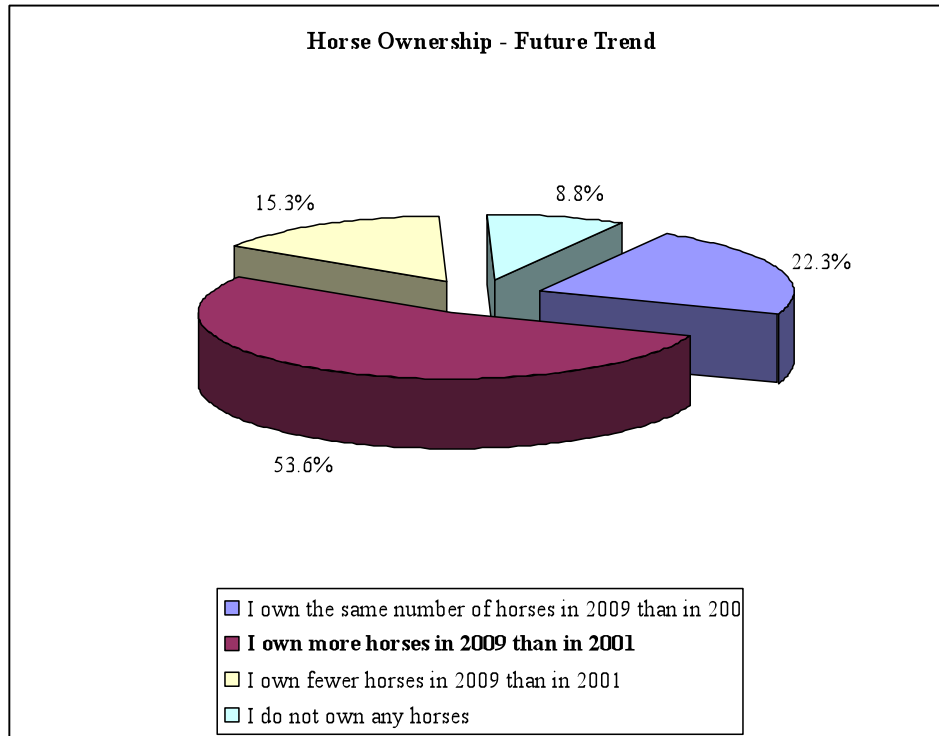
Demographics

- The respondents of the survey were 84% female and 16% male.
- The age groups that were represented most frequently were the 40-49 category and the 50-59 category.

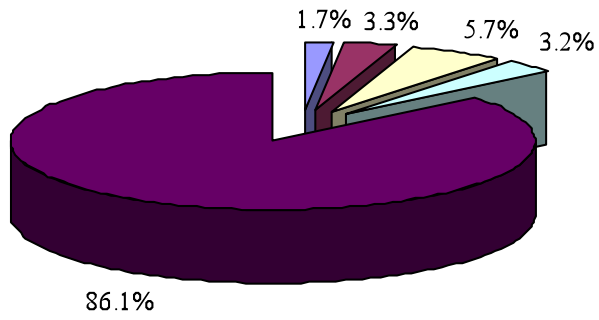


Horse Ownership – Trends and Patterns

- 6% of the survey respondents have been horse owners for less than one year.
- 17% of survey respondents have been horse owners for between one and five years.
- 22% of survey respondents have been horse owners for more than 30 years.



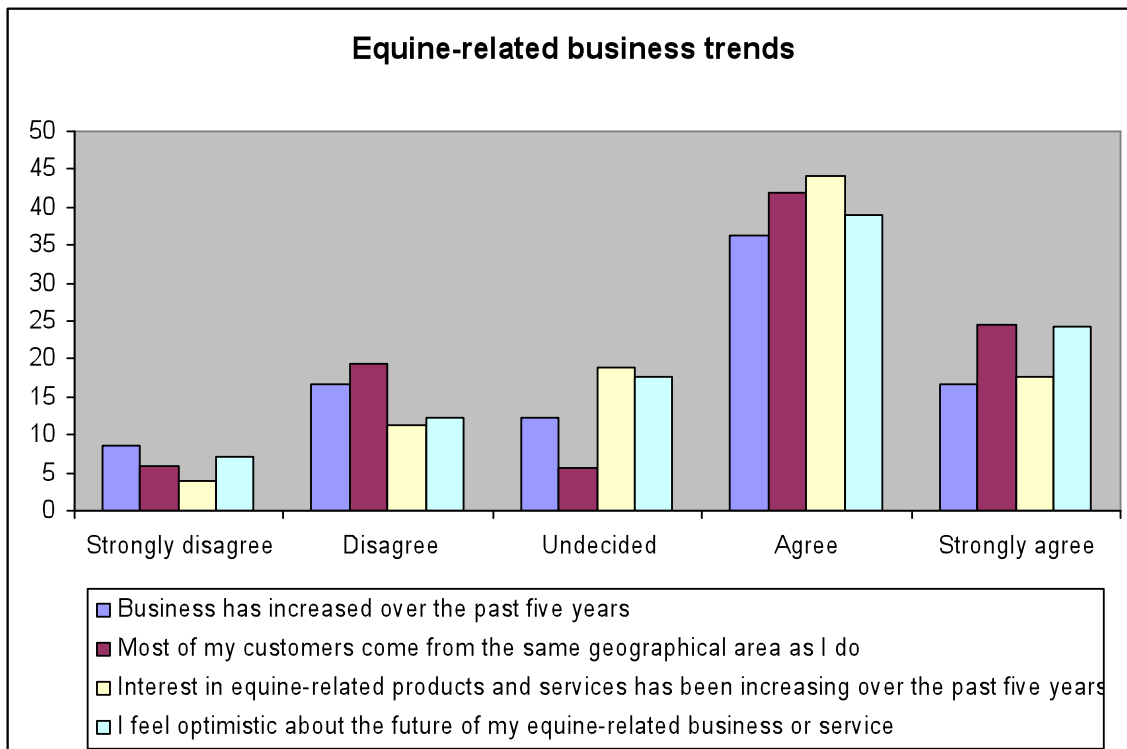
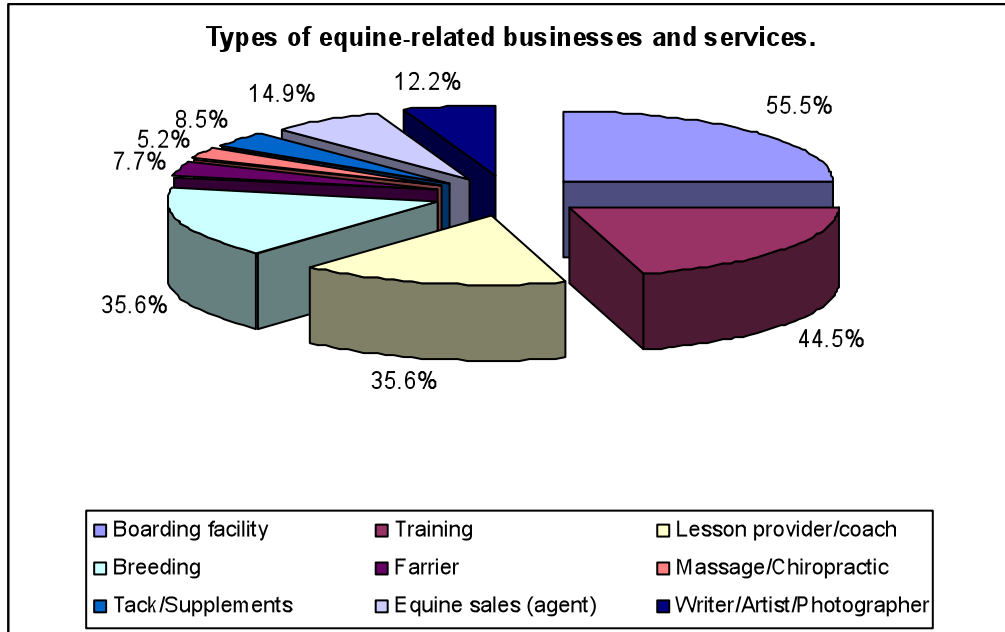
Length of survey respondents intend to stay involved in the equine industry.

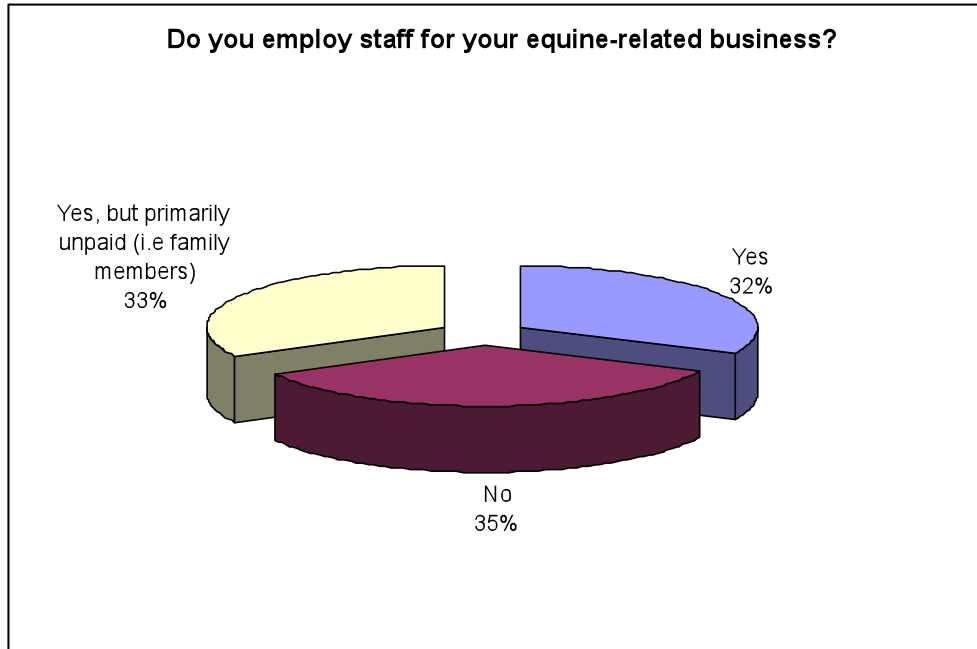


■ Another year ■ 2-5 years ■ 5-10 years ■ 11-20 years ■ As long as I can

Employment

➤ 26% of survey respondents own an equine-related business or service (N=392)





- Annual labour expenses: Average of \$33,300 per equine-related business
- Non-cash employment costs: Average of \$19,000 per equine-related business (i.e. housing, food, free board for employee's horses, training, etc.)

Investments

Annual Expenditure	Survey Response Average	Survey Response Total	Calculated Response per horse	Estimated Provincial Expenditures
Boarding fees	\$5,118	\$4,467,819	\$1,024	\$387,927,724
Hay	\$2,791	\$1,906,516	\$558	\$211,587,362
Feed	\$2,133	\$1,556,746	\$427	\$161,645,774
Feed Supplements	\$877	\$707,151	\$175	\$66,503,888
Bedding	\$1,544	\$1,008,532	\$309	\$117,070,068
Veterinarian fees	\$2,489	\$2,636,250	\$498	\$188,695,004
Medicine	\$500	\$344,861	\$100	\$37,884,840
Farrier fees	\$1,474	\$1,514,265	\$295	\$111,763,310
Massage therapy	\$149	\$64,798	\$30	\$11,265,396
Chiropractic therapy	\$578	\$276,256	\$116	\$43,807,852
Additional health expenses	\$223	\$90,784	\$45	\$16,866,258
Tack and Harness	\$918	\$861,086	\$184	\$69,584,400

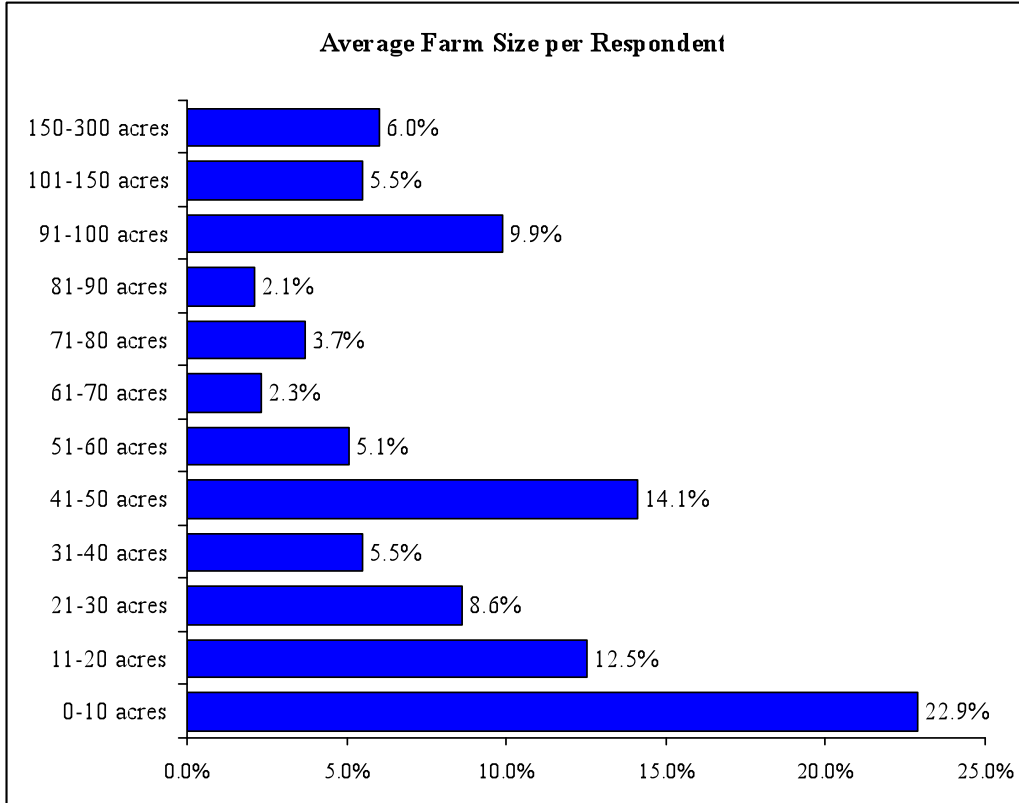
Additional clothing supplies for horses	\$468	\$380,047	\$94	\$35,477,432
Grooming supplies	\$248	\$220,320	\$50	\$18,827,962
Transportation	\$1,744	\$1,285,352	\$349	\$132,197,474
Insurance	\$1,013	\$791,472	\$203	\$76,816,478
Training	\$8,369	\$5,707,891	\$1,674	\$634,395,972
Track fees	\$154	\$54,813	\$31	\$11,670,926
Organization fees (i.e. OEF, OHJA, etc.)	\$234	\$225,959	\$47	\$17,712,186
Competition fees	\$1,362	\$920,554	\$272	\$103,222,166
Breeding fees	\$2,063	\$858,317	\$413	\$156,395,108
Total expenditures on an Annual Basis	\$34,450	\$25,879,789	\$6,890	\$2,611,317,580

- The estimated total provincial annual expenditures on horses in Ontario are \$2.6 billion.
- The estimated annual expenditure per horse in Ontario is \$6,980.00.

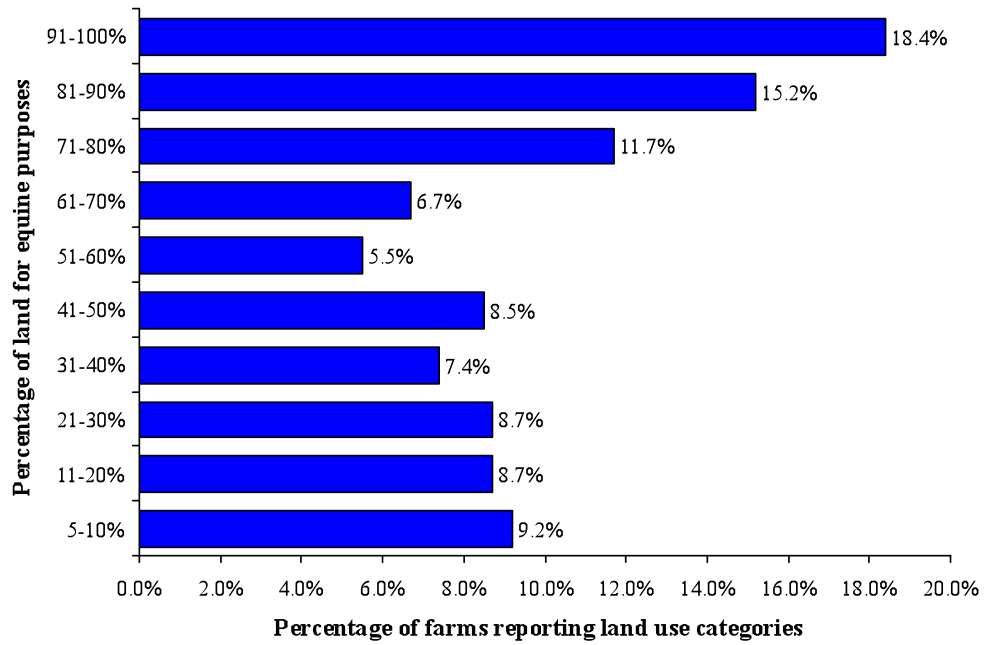
Horse Farm Ownership, Trends and Property Investments

- 43% of the survey respondents own a horse farm.
- The highest number of farms reported was from Wellington County at 9%, followed by Ottawa at 6% and Simcoe with 5%.
- 23% of the farms reported are 0-10 acres
- 14% of the farms reported are between 41 and 50 acres
- Only 11.5% of the farms reported are larger than 100 acres (this compares with the average Ontario farm size of 233 acres for other commodity groups).
- 51% of the farms reported do not qualify as 'bona fide' farms (i.e. able to demonstrate \$7000.00 in farm sales per year)
- 58% of the farms reporting do not have a registered farm business number
- 60% of the farms reporting are classified as 'agricultural' for municipal tax purposes while 33% of the farms reporting are classified as 'rural' or 'rural estate'
- Farms report an average cost of \$3000.00 in municipal taxes per year. With an estimated 63,000 horse farms in Ontario, this equals an estimated \$186 million in municipal taxes paid by the horse industry in Ontario.
- 71% of the farms reporting indicate that they have made capital investments in their horse properties over the past five years.
- The average response for property investment over a five-year period was \$164,023 with an estimated provincial investment of \$3.7 billion over the same 5-year period.

- The estimated annual expenses by the horse industry in Ontario in property investments and maintenance is \$735 million.



Percentage of land dedicated to equine purposes (i.e. pastures, exercise rings, training tracks, etc.)



“If you have invested in your horse farm in the last 5 years, please provide your best estimate of the total expenditure related to each choice.”

Investment Category	Response Average	Total per Respondents	Percentage of respondents who invested in each category	Estimated Provincial Investment between 2004-2009 (@63,000 horse facilities in Ontario)*	Estimated Annual Provincial Investment
New barn construction	\$57,449	\$8,272,600	44	\$1,600,000,000	\$320,000,000
New indoor arena construction	\$70,319	\$5,625,500	24	\$1,100,000,000	\$220,000,000
New fencing	\$7,393	\$2,225,200	92	\$430,000,000	\$86,000,000
New pastures	\$2,980	\$429,110	44	\$83,000,000	\$16,600,000
New driveways/roadways	\$3,923	\$462,950	36	\$89,000,000	\$17,800,000
New manure storage facilities	\$1,175	\$79,900	21	\$15,000,000	\$3,000,000
New storage facilities (i.e. for hay)	\$6,620	\$661,950	31	\$128,000,000	\$25,600,000
New training tracks	\$2,848	\$159,500	17	\$31,000,000	\$6,200,000
New training rings	\$3,917	\$470,000	37	\$91,000,000	\$18,200,000
New trails	\$595	\$43,400	22	\$8,400,000	\$1,680,000
Other	\$6,805	\$510,400	23	\$98,000,000	\$19,600,000
Total Investment in Horse Farms over the last 5 years (2004-2009)	\$164,023	\$18,940,510	**70% in total invested in their properties	\$3,673,400,000	\$735,000,000

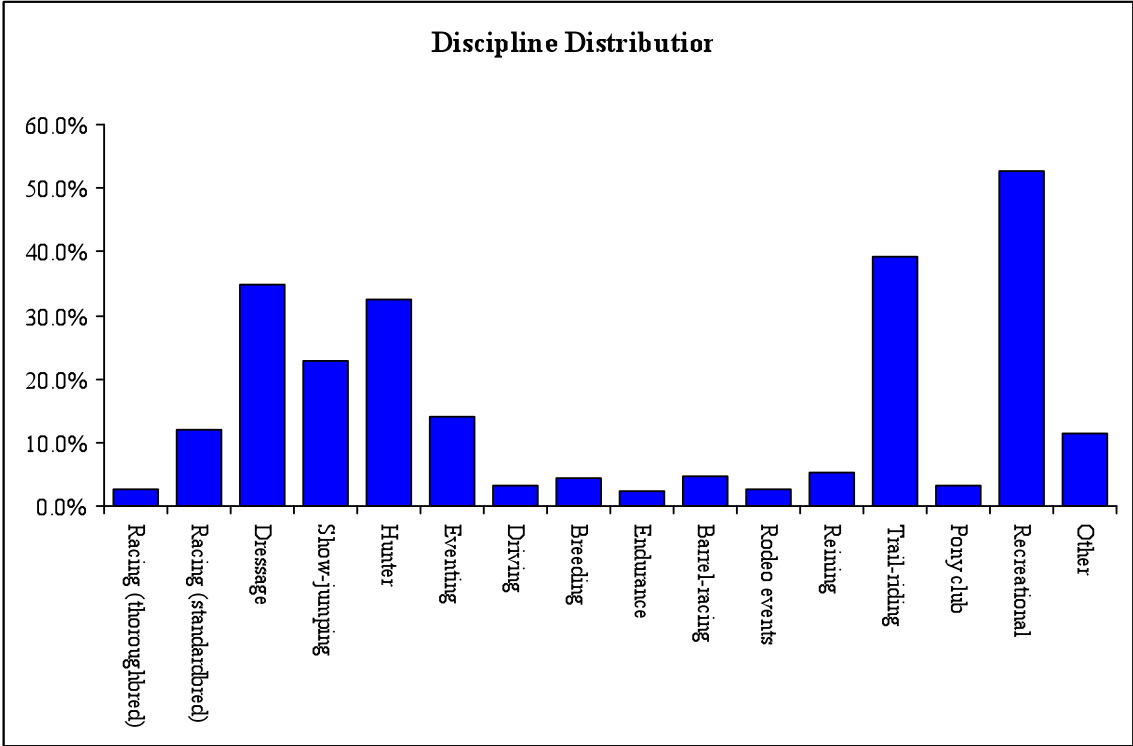
*** The provincial estimate is based on the response average per category multiplied by the percentage of respondents for each category multiplied by the estimated number of 63,000 horse facilities in the province.**

Please provide the ANNUAL expenses related to the maintenance of your equine-related property.

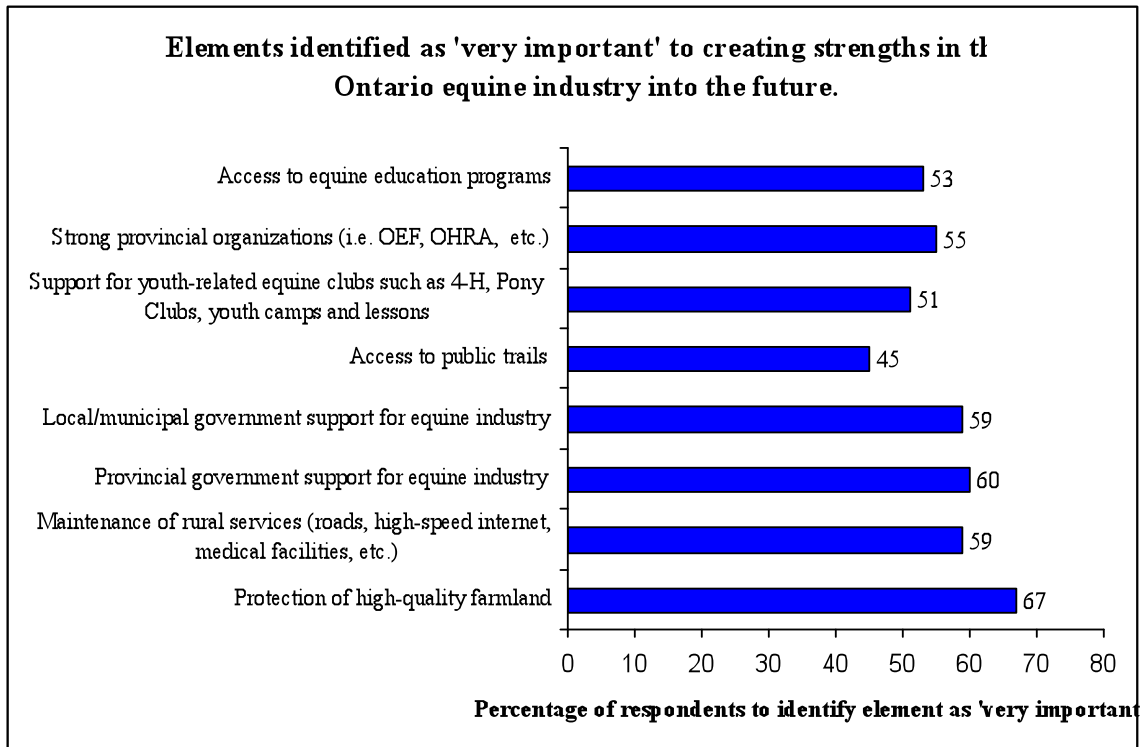
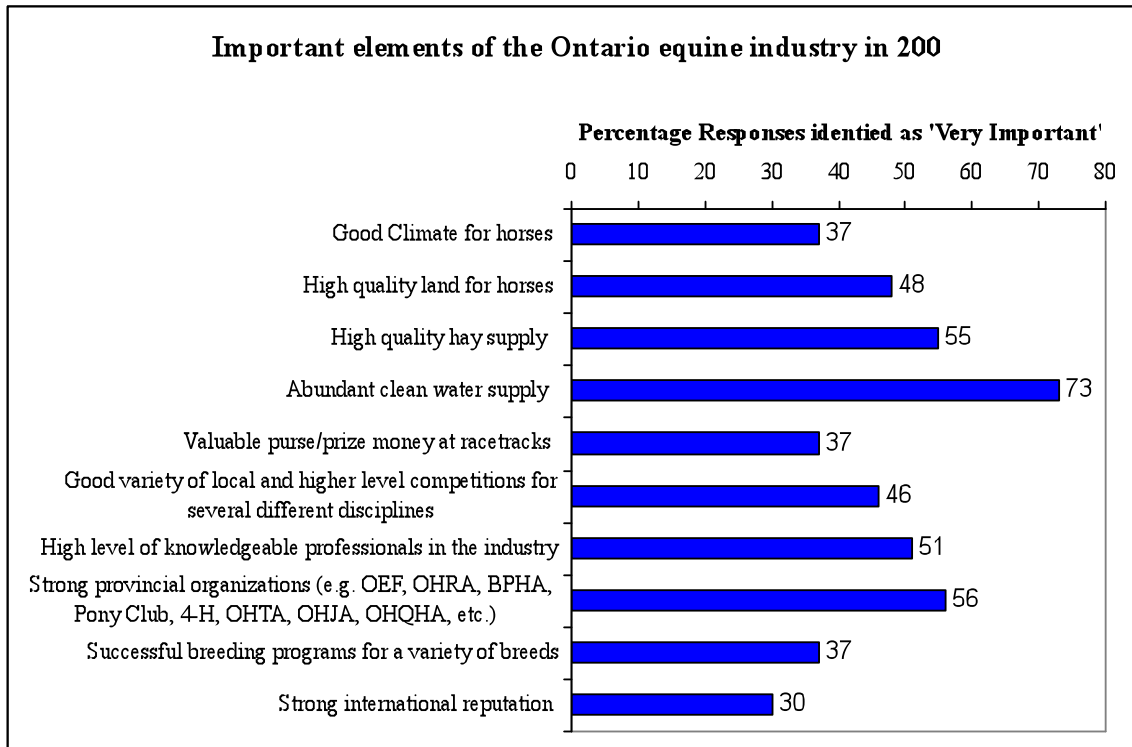
Expenses Category	Response Average	Total per Respondents	Percentage of respondents who had expenses in these categories	Estimated Provincial Expenses
Building repairs	\$3,071	\$798,480	87	\$168,806,344
Equipment repairs	\$1,687	\$393,151	78	\$83,115,651
Fencing - repairs	\$903	\$231,130	86	\$48,862,969
Fertilizers	\$706	\$93,875	45	\$19,846,139
Manure handling fees	\$591	\$63,195	36	\$13,360,074
Pasture maintenance	\$661	\$124,220	63	\$26,261,089
Other	\$1,043	\$54,250	17	\$11,468,968
Total Annual Expenses	\$8,662	\$1,758,301		\$371,721,234

Disciplines

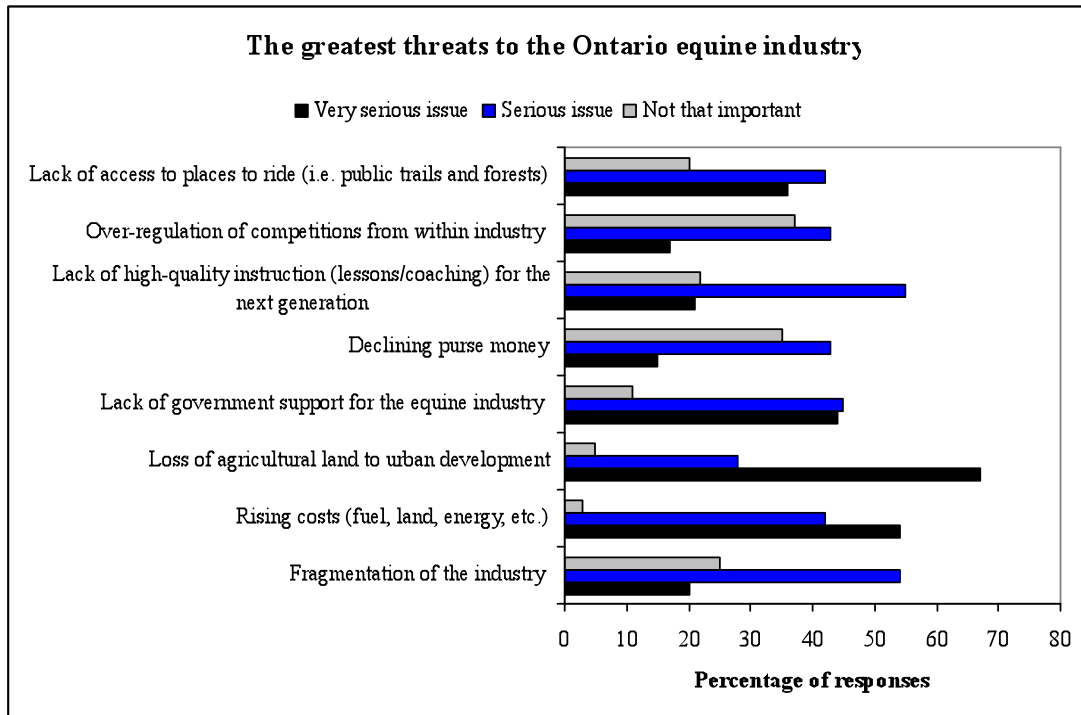
While both harness racing and thoroughbred racing are important components of the Ontario equine industry, a significant portion of the growth in the industry can be attributed to the sport and recreation sector with a high level of diversity and participation across the disciplines such as dressage, hunter-jumper, eventing, western pleasure riding, rodeo events, trail-riding, endurance riding, driving, and recreational riding to name just a few of the equine disciplines enjoyed by residents of Ontario.



Important Elements of the Ontario Equine Industry



Threats to the Ontario Equine Industry



Conclusion

While this report provides only a small glimpse of the equine industry in Ontario, it reveals a strong sector with considerable economic impact in rural and near-urban areas. There is a strong commitment by participants in the equine industry to provide services and products for their animals and to stay involved in the industry for as long as they possibly can. This sector also demonstrates a high level of interest in the amenities offered by the Ontario countryside such as high quality agricultural land, clean air and water, and the continued offering of rural services. With such a high level of financial commitment into both their horses and their rural properties; further research should be conducted on the economic, social and environmental impacts of the equine industry in Ontario. More effort should be put towards the proper collection of statistics related to the equine industry so that provincial ministries and municipalities can make appropriate and informed decisions related to horses and horse farms. As rural Ontario continues to undergo transformations, it will become increasingly important to have a thorough understanding of all sectors that play a role in the mosaic of the Ontario countryside.

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