



EQUINE

EXECUTIVE SUMMARY

The Kansas equine industry is made up of many different types and uses of horses. Historically, horses were a significant part of the original cattle ranching infrastructure in Kansas. Although no data exists to identify the number of horses that exist in the state today, horses remain an important part of the animal industry in Kansas. Opportunity exists to significantly expand support for the horse industry in Kansas. Horses serve many purposes across the state, from pleasure and competition to work uses. Increased visibility of the horse industry will be a natural by-product of the American Royal's move to Kansas as it will attract major horse exhibitions to the state, and may inspire additional facility improvements across the state.

To fully realize the potential of the horse industry, however, will require increased focus on the challenges that currently prevent growth. A lack of sufficient research and data regarding the current and potential economic impact of the equine industry makes strategic growth difficult. Technical concerns about the legal definition of horses within the livestock world and how that affects regulations and taxation within the industry can be a challenge for large-scale horse operations. The horse industry has been adversely affected by the lack of horse slaughter facilities as end-of-life solutions for horses are limited. Factors that prevent pari-mutuel betting have led to reduced economic activity from horse breeding and racing. Increased investment in event or exhibition facilities would open up new possibilities, but would require significant capital.

Many of these challenges can be overcome with input and discussion among key partners who are committed to long-term strategic growth. A strategic growth plan created through collaborative efforts from both public entities and private stakeholders is critical to the future success of the equine industry in Kansas.

STATUS

The Kansas horse industry is a vast industry representing many different types and uses of horses. Kansas has a long-standing history with horses, as they were a major component of the original cattle ranching infrastructure in the state. Since then, horses have been a natural part of the rural landscape. While there is no information that confidently reports the number of horses within the state, it is safe to say that Kansas is a strong horse state based upon concentration of horses and equine events in neighboring states.

In a limited economic analysis, Kansas equine sales have a total direct output of approximately \$16.4 million and support 100 jobs in the state. Clearly, with the addition of horse stables and training, horse breeding, horse shows, horse feeding, farriers, veterinarians and pharmaceutical use, and other industry sectors, the economic contribution to the Kansas economy greatly shadows that of equine sales alone.

OPPORTUNITIES

In order to develop a strategic growth plan for horses, it is important to understand the areas where Kansas has a comparative advantage and the best opportunities for growth or expansion.

Factor	Implications for Growth and Development Opportunities
Consumer Demand	Horses and other equids have broad appeal for both pleasure and work uses. There are horses located throughout the state to serve many interests.
Feed Supply and Land Availability	<p>Kansas is home to abundant feedstock supplies, including high quality hay demanded by many horse owners.</p> <p>Kansas has the second most farm land of any state, with roughly 90 percent of the state devoted to agriculture. Horse operations demand relatively less land than other animal facilities. These two factors together equate to a relatively available and affordable base for expanding operations.</p>
Human Capital	The Kansas State University department of animal sciences and industry houses respected faculty with expertise in equine nutrition and reproduction.
Supporting Infrastructure	Kansas boasts many stables, arenas, horse breeders, farriers, veterinarians, trainers and other professionals available to offer services to horse owners.

SUCCESS STORIES

The equine community in Kansas has made significant strides in increasing acreage, advocating for policy and research and increasing the education and awareness of the equine industry's potential in Kansas. Some specific successes include:

- On Oct. 25, 2016, the American Royal announced it will be moving to Kansas by constructing new state-of-the-art facilities for livestock shows and expositions in Kansas. This will enhance Kansas' ability to attract major horse exhibitions for exhibitors across the country.

CHALLENGES

While Kansas is poised for expansion of the equine industry, the following factors represent challenges serving as barriers to achieving the objective of the horse growth plan.

Challenge	Details of Challenge
Capital	Equine facilities such as arenas and stables can become expensive, making it difficult for undercapitalized entrepreneurs to start up.
Checkoff Funds	Currently, no checkoff programs exist to promote, educate and conduct research on the equine industry despite past efforts to achieve a statewide feed checkoff program. Other states have horse checkoffs, and the Kansas horse industry joins only the goat industry as a major livestock species lacking a checkoff program.
Differing Definitions	Differing definitions of horses and the equine industry under state statute create confusion and inconsistency in regard to taxes and liability. Horses are not consistently defined as livestock.
Economic Impact Information	Currently, no reputable information is available regarding the number, location and types of horses found in Kansas. This prevents economic analysis from being conducted to estimate the true value the Kansas horse industry provides to local communities and the state. The American Horse Council's 2017 economic impact study will not have Kansas-specific information, but information from the study could prove to be useful.
Equine Market	Since the last horse slaughter facility was closed in the United States, the market for horses has crashed along with an explosion of unwanted horses that cannot be disposed of in any other manner. This also creates animal welfare issues for those unwanted, old and neglected animals.
Extension Personnel	Currently, no university staff hold extension appointments in the equine industry, limiting the dissemination of information related to horse nutrition, reproduction and health.

CHALLENGES

Challenge	Details of Challenge
Horse Racing	Kansas' pari-mutuel licenses for horse racing lapsed and have been revoked since 2008. The percentage paid by horse track slot machines to the state is 22%, which is higher than standalone casinos. As such, race tracks are not a viable business in their current state. This has led to horse breeders exiting the state, and reduced economic activity from horse breeding and racing.
Sales Tax Exemption	Despite some supplies truly being utilized for farm and ranch work, some retailers do not offer the farm sales tax exemption on equine products because the majority of their sales are for hobbyist purposes.

NEXT STEPS IN STRATEGIC DEVELOPMENT

Leaders from throughout the Kansas equine industry will continue to collaborate in the development and implementation of a long-term strategic growth strategy with input and discussion among key partners. Industry-identified desired growth outcomes, initially developed in 2016, will be implemented by industry and key partners and updated annually at the Kansas Governor's Summit on Agricultural Growth.

EQUINE INDUSTRY OUTCOMES



Growth Objective:

Enable an environment that encourages growth in the equine industry, and eliminate barriers that prevent investment in equine facilities and enterprises.

The following outcomes will be the result of industry collaboration and effort to grow the Kansas equine industry:

Phase 1 (Begin within two years)

- Restoration of federal appropriation funding for inspection of horse slaughter facilities.
- Equine exposition destinations throughout the state capable of hosting significant, world-class horse events, ranging from large events to smaller events with more specific needs.
- Detailed understanding of economic impact of Kansas horse industry and potential impact through completion of an economic impact study of the Kansas horse industry. Currently, no information exists on the impact of horses on Kansas' economy, which makes it difficult to convey the importance of the industry to the state.
- Horses classified as livestock under all state definitions in state statute. Current discrepancies between definitions result in inconsistency and confusion for the industry.

Phase 2 (Begin within 2-4 years)

- Kansas pari-mutuel betting laws that align horse tracks and standalone casinos with an equal percentage from slot machines paid to the state. Current laws have forced race horses out of the state.
- Statewide equine extension specialist position for enhanced education and outreach.
- An equine industry checkoff program to promote education and research.