



Kansas
2020 AGGROWTH
GROW SMARTER. GROW STRONGER. GROW KANSAS.

EQUINE

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, including potential improvements to nearby airports for air transportation of horses. Although insurance is available for equine businesses, it is often cost prohibitive. While equine trails are available throughout Kansas, federal funding shortfalls have caused maintenance issues.

Many of these challenges can be overcome with input and discussion among key partners who are committed to long-term strategic growth. The 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.
Facilities	The American Royal offers space for international, national, regional and local shows. The Kansas State Fair, Domer, and Western State Bank Expo all offer space for regional and local shows, and Celebration Centre offers space for smaller regional and many local shows.
Feed Supply and Land Availability	Kansas is home to abundant feedstock supplies, including high quality hay demanded by many horse owners. 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.
Human Capital	The Kansas State University department of animal sciences and industry houses respected faculty with expertise in equine nutrition and reproduction. Colby Community College offers an associate degree in equine science with 60 percent of graduates employed in the region following graduation. Studies cover reproduction and equine business management, including all facets of the equine business from breeding and foaling to training and selling.
Supporting Infrastructure	Kansas boasts many stables, arenas, horse breeders, farriers, veterinarians, trainers and other professionals available to offer services to horse owners.

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 equine industry growth plan.

Challenge	Details of Challenge
Air Transportation	The Kansas City International Airport is not currently equipped to handle the shipment of horses via air freight, a common practice with world class equine events. However, horses may be shipped through KCI by contracting a horse shipper, a.k.a. a “freight forwarder,” to provide the shipping stalls, book the airfare, and supervise the load and the unloading and trailering out process.
Capital	Equine facilities such as arenas and stables can become expensive, making it difficult for undercapitalized entrepreneurs to start up. Deferred maintenance funding is also a continual issue.
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. One challenge that exists to doing a checkoff on feed bags is feed distributors look at this as another “tax” or a paperwork obligation. Thus, the industry may need to review an option on horse sales like the beef checkoff program for cattle.
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 did not have Kansas-specific information, but some information from the study may 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, as animals have excessively long trips to slaughter facilities.

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 40 percent, which is higher than standalone casinos at 22 percent. 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.
Insurance	Despite the availability of commercial insurance for equine-related business, premiums are often cost prohibitive.
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.
Trail Maintenance	Weather-related incidences, along with natural overgrowth and trail use erosion, create an ongoing need for required attention and upkeep to equestrian trails. Governing agencies supply routine maintenance staff and volunteers make up the balance, but due to the vastness of trails and the everchanging needs, there is a funding and staffing shortfall to cover continuous oversight. Additional opportunities for new trail development exist, but with concerns over current trail maintenance challenges, these opportunities are not pursued.

SUCCESSSES

Key successes in the equine industry:

- The Kansas State Fair will receive additional revenue from Kansas sales tax and city excise tax for capital projects at the fairgrounds to allow the fair to expand and protect its assets providing Kansas with a first-class fair and facilities.
- The Kansas Expocentre has announced that Domer arena expansion plans have been approved and will provide greater opportunities for larger equine programming.
- Plans are underway to develop a new American Royal complex in Kansas to serve as a world-class events center, expanding the possibilities for equestrian shows and exhibitions.

Policies in this document are a reflection of industry discussion and not a representation of state government.

Equine

GROWTH OBJECTIVE:

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



OUTCOMES & ACTION ITEMS

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 and expanded to include action items, will be implemented by industry and key partners and updated annually at the Kansas Governor's Summit on Agricultural Growth. Following are the proposed action items to continue building on the achievement of the equine sector desired outcomes.

High Priority Outcomes

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.

ACTION ITEMS:

- Kansas Horse Council to work with Kansas State University agricultural economics department to help formulate survey including timeline, distribution, etc. Plan to have initial survey available by late 2020 with final result tabulations by fall 2021.
- KHC to work on funding options for the survey.
- Need marketing plan completed that details stakeholders' involvement, timing, method of reaching, validity of project, possible need for incentive, etc.

Supportive trail maintenance, trail riding promotion and opening of new trails for equestrian use.

ACTION ITEMS:

- After flooding issues, Kansas Department of Wildlife, Parks and Tourism to discern needs and reach out to larger partner network to help get volunteers, funding, etc. to help re-open trails.
- Allow advanced reservation of corrals at state parks. KDWPT to work on passing regulations to allow and then incorporate into their reservation system.
- Form additional chapters of Back Country Horsemen of Kansas to target specific trails to maintain. This volunteer group is establishing a great working partnership with state, corps and local public land managements to meet the needs of trail maintenance with local grassroots efforts.
- Create a website of existing trails that includes maps, miles, level of difficulty, campgrounds and amenities by KDWPT and have KHC help with mapping.
- Include a directory of horse-friendly bed & breakfasts on KDWPT website.
- Encourage private guest ranches to become public facing and help them with insurance concerns which is one of the obstacles to overcome (KDWPT, KDA, KHC, Kansas Livestock Association).
- Increase promotion of trails using social media and advertisements. KDWPT to identify funding and support.
- Partner with Kansas Agritourism Advisory Council for trail investment and maintenance, and promote agritourism businesses who have by-the-hour trail rides.
- Pursue federal delegation on issue of Corps of Engineers funding shortfall for trail maintenance in Kansas.
- Investigate and promote insurance options for equine-related businesses.

Medium Priority Outcomes

Horses classified as livestock under all state definitions in state statute. Current discrepancies between definitions result in inconsistency and confusion for the industry.

ACTION ITEMS:

- Conduct a thorough review of all equine definitions in statute.
- Work through legislative channels to ensure horses are consistently defined as livestock in statute.

Restoration of federal appropriation funding for inspection of horse slaughter facilities.

ACTION ITEMS:

- Create consumer-facing materials to correctly inform the public about current slaughter practices. Kansas Horse Council will work with industry and vocational/educational programs.
- KHC will reach out to the other coalition members to see if they have a similar interest in pursuing federal changes.
- Work with congressional delegation to restore federal appropriations, then work with state legislature to set state specifics.

Statewide equine extension specialist position for enhanced education and outreach.

ACTION ITEMS:

- Set up a meeting to discuss extension specialist position needs. Include: Kansas Horse Council, Kansas Department of Agriculture, other industry groups like 4-H, head of K-State's department of animal sciences and industry and/or K-State's Dean of the College of Agriculture.
- Explore possible funding support for extension specialist position at K-State, including possibly establishing an equine industry checkoff program.

Incorporation of an equine industry checkoff program to promote education and research.

ACTION ITEMS:

- Receive input from the equine industry regarding services and promotional activities that could be funded by a checkoff and would be beneficial to the industry.
- Create a well-defined vision of what a statewide checkoff program would offer and how it may be funded (i.e., through feed sales, equine sales, etc.).
- Work with Kansas legislators to establish a statewide equine checkoff program.
- Develop effective branding for equine checkoff.

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.

ACTION ITEMS:

- Advocate strongly in support of the new American Royal "world class" multi-use event center with supporting features like stalls, camping, multi-arenas, etc.
- Help communities assess current facilities and identify potential revenue generating events that could be held if facilities were kept in top shape.
- Create plan for future investment in equine exposition facilities across Kansas to match anticipated needs.
- Identify funding sources for upgrading Kansas State Fair equine facilities.
- Advocate for inclusion of adequate airport quarantine facilities to allow transportation of horses into and out of Kansas City International Airport.
- Fund the promotion and marketing of event centers both nationally and internationally through Kansas Department of Wildlife, Parks and Tourism (dependent on improvements to airport).

Low Priority Outcomes

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.

ACTION ITEMS:

- Work with Kansas legislators to amend laws to create uniformity.