



# Happy trails

*Horses are used more for pleasure than business, but they still have a place in Fifth District agriculture*

BY CHARLES GERENA

Late July in Leesburg, Va., is fairly hot for outdoor activities, but the annual Summer Dressage Classic is in full swing at the Morven Park International Equestrian Center. One rider outfitted in classic equestrian gear — black boots, white breeches, black jacket, and show helmet — circles the outdoor arena on her horse. A woman stands with a clipboard and calls out different maneuvers for the rider to perform. In an adjacent arena, spectators stay cool under a tent while they watch another horse and rider work in unison.

Kentucky may be called the “horse capital of the world,” but the horse industry has left its hoof prints in Leesburg, other parts of Northern Virginia, and elsewhere in the Fifth District. Conservative estimates from the U.S. Department of Agriculture put the district’s equine population at 244,000. That number includes only animals on farms, not those living at racetrack stables or in horse lovers’ backyards.

While horses remain part of agriculture, they are no longer merely inputs of farm production. The American Horse Council says there are 6.9 million equines in the United States, based on an impact study it commissioned in 1996, but less

than a third of them are used commercially. The remaining 4.9 million are for personal recreation and showing.

Ever since automation reduced the number of farm animals necessary for manual labor, the satisfaction that people get from their equine companions has provided a new foundation for the horse industry. “Driving through the woods on a horse on a crisp fall day, there is nothing like it,” says Mary Ellen Tobias, an equine marketing specialist for the South Carolina Department of Agriculture and a horse lover since the age of 3. “Once it gets in your blood, it’s a love that you can’t imagine.”

In fact, the recreational uses of horses have helped their numbers rebound and grow. New businesses have formed around these uses, generating millions of dollars in expenditures on feed, fencing, and other goods and services. According to the most recent statewide surveys, purchases by the horse industry totaled \$335 million for North Carolina in 1996; \$505 million for Virginia in 2001; \$766 million for Maryland in 2002; and \$104 million for West Virginia in 2003. (South Carolina is in the process of compiling its first equine survey.)

## Horse Of A Different Color

Horses started out as work animals. At their peak numbers in 1915, 21 million horses and mules plowed fields, hauled people and goods, and performed other tasks.

In the Fifth District, plantations began relying on horses and mules during the 19th century as farming shifted from using human power to animal power and labor-saving devices like steel plows. In fact, many plantations continued using horses for harvesting and transportation well into the 20th century, as mechanization progressed slowly in Southern agriculture. The region’s fertile soil enabled farmers to provide pastures and grow hay, straw, and grains for their equines.

Agriculture continued to change as the 20th century progressed, and so did the horse industry. “With the advent of motorized vehicles and mechanized farm equipment, [the number of equines nationwide] plummeted to about 2 million by mid-century,” remarked the authors of a 2001 study on the horse industry in Montgomery County, Md. “However, the number of horses soon began to creep back up. The difference was that their primary

role had changed from beast of burden to pleasure mounts.”

Today, people enjoy their horses in a variety of ways, from the formality of equestrian shows to the thrill of a steeplechase. As animal sciences professor Thomas Hartsock puts it, they occupy the “fun” niche of agriculture that exists alongside the traditional “food and fiber” activities of farming. Hartsock, director of the Institute of Applied Agriculture at the University of Maryland-College Park, puts the horse industry in the same recreational category as horticulture.

One of the most popular activities for horse lovers in the Fifth District is dressage. At events such as the one held at Morvan Park, riders are judged on how well their horses follow specific movements. The original intent of dressage was to aid cavalry officers in preparing their steeds for battle.

Other popular activities include trail riding, showing, and eventing, an “equestrian triathlon” that involves dressage, show jumping, and navigating an obstacle course. Two of the five members of the 2004 U.S. Olympic team for eventing were from Virginia, while a rider from North Carolina served as an alternate.

Some people still keep horses on their own property and take care of them, but others don’t know a thing about animal husbandry or equine health. They view horses as a means to an end — an opportunity to enjoy the outdoors, spend some time with animals, or get a dose of excitement.

As a result, the “horse farm” emerged to serve their needs. The Montgomery County study noted that when horses were just work accessories, they were rarely the primary focus of an agricultural operation. Today, taking care of horses is big business — about 100 horse farms provide boarding, training, and instruction in Montgomery, mostly north and west of the county’s seat in Rockville.

Equestrian centers provide similar services in addition to hosting sporting events and shows, though they typically receive financial assistance from private foundations and government agencies that wish to support equestrian activi-

ties. Other businesses also have emerged to provide goods and services.

The recreational use of horses has not only generated new economic activity within agriculture, but also has helped traditional farming by providing alternative sources of demand for crops used for food and bedding in stables. James Steele, chairman of the Maryland Horse Industry Board, notes that when grain prices fall, many farmers switch to growing hay and straw for horses.

Local farmers typically supply horse owners with agricultural goods, but these crops can come from anywhere in the country. Northern Virginians have been importing hay from as far away as Canada because production in the region isn’t meeting demand.

### **Following The Money Trail**

Generally, horse owners spend much of their money locally and regionally. In his 2000 analysis of eight Maryland counties, agricultural economist Malcolm Commer Jr. at the University of Maryland found that at least 75 percent of spending by horse owners is within their counties of residence and 80 percent is within the state.

Where does this money go? Typically, it’s spent locally at retailers that supply a variety of goods, from harnesses and saddles to fences and barns. It also goes to farriers who shoe horses, veterinarians who provide equine care, trainers, and other service providers.

Trail riders usually have paths to explore close to home, but they occasionally travel looking for new territory. Those who enter their horses at equestrian shows and sporting events sometimes also take their dollars on the road. When they travel for competitions, they may spend money on entrance fees, parking space and stable rentals, gasoline for vehicles, and hotel rooms. In either case, the economic effect is similar to tourists visiting Pinehurst, N.C., to play golf or the New River Valley in West Virginia to ride the rapids.

In contrast, the spending of people who breed horses more closely resembles traditional agricultural producers. Once a breeder with a mare pays a stud fee to have a stallion supply his seed, the

mare has to be fed, housed, and trained on a farm until she gives birth to a foal. Then, the foal has to be raised for more than a year before it can be sold. Breeders who sell the reproductive services of their stallions also spend money to raise their “products.” Also, those without a breeding facility have to rent one in order to have a controlled environment for equine coupling to take place.

In addition to the activities of horse owners and breeders, there are the spectators who attend equestrian competitions. In Maryland, for example, thoroughbred and harness races drew 2.4 million people in 2002 compared to 2.7 million who attended home games of the Baltimore Orioles that year. The middle leg of the Triple Crown, the Preakness Stakes, packs the stands at Pimlico yearly with more than 100,000 horseracing fans.

Racing is a big component of the spectator sport aspect of the horse industry. In addition to buying food and paying for parking, fans add to the excitement of a race by placing bets on their favorite thoroughbred. Maryland, Virginia, and West Virginia permit wagering at their combined 11 racetracks. In addition, West Virginia’s tracks offer slot machines, which generate extra revenue and enable them to offer larger purses that attract the best competitors.

There are the big spenders who pay a small fortune to buy or breed horses for racing and other equestrian sports. But contrary to popular belief, the horse industry is not dominated by millionaires. The American Horse Council’s study determined that horse-owning households had an annual median income of \$60,000, putting them squarely in the middle-class bracket. Moreover, while one-third of these households earned more than \$75,000 a year, one-third earned less than \$50,000.

A horse owner does need to have a sufficient amount of discretionary income to cover expenses. “You have to pay for food, clothing, and shelter before you do anything else, whether it’s going to the movies, going out to eat, or riding a horse,” says Cindy Wadford, executive director of the North Carolina Horse Council.

## Horse Country

The economic effects of horse-related activities are felt throughout the Fifth District. But there are some places where it is more concentrated, areas that are affectionately known as “horse country.”

Since most horses are recreational in purpose, a lot of them are found near large population centers. “The horses are going to follow the people, and the people are going to be congregated around urban areas where the good jobs are,” says University of Maryland’s Thomas Hartsock. “In our state, large concentrations of horses are in central Maryland, literally an hour or an hour and a half drive from Baltimore or Washington, D.C.” Similarly, the counties in North Carolina with the most horses are part of major metro areas, including Greensboro-High Point and Charlotte.

Don’t look for a lot of horse-related spending in big cities, though. People usually enjoy their horses in nearby suburbs and rural areas where there is room for trails, stables, equestrian centers, and racetracks.

Some of these communities have developed enough “horse infrastructure” to become hubs of equestrian activity. They include Loudoun and Fauquier counties in Virginia; Baltimore and Montgomery counties in Maryland; and Southern Pines and other parts of the Sandhills region in North Carolina.

Some of the clustering is due to favorable climate and terrain, and in other instances due to lobbying for private and public support of equestrian centers and trails.

Such efforts have become increasingly important as denser development

## Where The Horses Roam

### Registered Horses Per 10,000 People

	Quarter Horses	Arabians	Paints
Maryland	15.5	5.7	0.3
North Carolina	50.7	8.2	1.0
South Carolina	45.4	6.4	1.3
Virginia	32.7	9.1	0.5
West Virginia	53.6	8.6	1.5
<b>United States</b>	<b>97.3</b>	<b>10.9</b>	<b>1.6</b>

SOURCES: U.S. Census Bureau, American Quarter Horse Association, Arabian Horse Association, American Paint Horse Association

extends into the countryside. Real estate values have skyrocketed in communities on the outskirts of urban areas, resulting in huge subdivisions popping up in between horse farms. “Horses live on relatively high-dollar acreage as compared to traditional farms,” says Hartsock. “It’s expensive land because people want their horses to be near where they live.”

This has raised the bar for horse ownership in places like Leesburg in Loudoun County, which is just 25 miles west of Washington, D.C. As the fastest-growing county in the nation, Loudoun lost 41,848 acres of farmland between 1987 and 2002, with almost half of that loss occurring in the last five years.

Andrea Heid, program manager of the Virginia Horse Industry Board, thinks tough decisions will have to be made in Loudoun. Development could continue unabated, which could result in only higher-income residents being able to afford land for their horses, or the county could preserve land for agriculture through zoning, which has its own costs and benefits. (See the downzoning feature in the Summer 2004 issue.)

In addition to access to land, capital can be hard to get for horse-related businesses. “Some people looking for

loans don’t have a strong business background,” says Lisa Derby Oden, a New Hampshire-based consultant for equine businesses. Oden and others say these firms don’t have a business plan or do other things to demonstrate that their enterprise is more than just a hobby.

Also, borrowers must have sufficient assets to pledge, such as equipment and real estate.

Horses usually make lousy collateral because there is no commonly accepted method of valuing their physical traits.

Other sources of capital are available for horse-related businesses. They include the federal Farm Credit System, a network of financial institutions that specialize in lending to the agricultural sector; and the U.S. Small Business Administration’s Microloan program, which has more flexible collateral requirements. Additionally, loans from state agricultural departments are usually open to the horse industry, except for those backed by the federal Farm Service Agency (FSA). FSA guarantees cannot finance the production of horses for “nonfarm purposes” such as racing and showing, nor can they fund nonfarm enterprises like riding stables.

Despite these challenges, the horse industry continues to thrive in the Fifth District and across the country. Whether they’re in it for business or pleasure, the people who work with horses say it’s worth the not inconsiderable trouble and expense. “Most of the people that I know do it because they have a passion for anything that’s equine,” says Andrea Heid. “A lot of them say, ‘I used to be rich before I owned horses.’” **RF**

## READINGS

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