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Subject: [againstslaughter] State of the Industry (long article)

There's an easy solution here. "Among the most difficult horses to market, Parker says, are mares, weanlings, or yearlings of indifferent pedigree and conformation." This is solved by not breeding those horses! How hard is that?

<http://www.thehorse.com/ViewArticle.aspx?ID=10303>

by: Les Sellnow
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The changing dynamics of the horse industry in the United States can be likened to the ocean tides. At high tide there were somewhere between 25 and 27 million equines in this country. At low tide, that number dipped to under four million. Today, the tide is rising again, and the number is somewhere between nine and 10 million.

The forces that brought about the high tide in the equine industry in 1915 and previous years were agriculture, war, and transportation. In that era, horses were the do-all creatures on the continent. They pulled the plows in fields across the country. They provided the power for huge wagons that were loaded with everything from foodstuffs to beer. They pulled buggies, carriages, and other conveyances, and during war they were cavalry mounts and steeds that transported artillery gun carriages.

The forces that brought about the low tide arrived swiftly and somewhat mercilessly. At the root was the gasoline engine. Tractors pulled plows. Trucks hauled goods in the cities. Tanks, planes, and jeeps replaced horses on the battlefield.

Along the way the horse population plummeted, reaching its nadir in the wake of World War II.

Then came another powerful force that stimulated a rising tide that continues today: the horse became a recreational outlet. Basking in newfound affluence after World War II and enamored with romantic images

from Western movies and TV shows, the American public began a continuing love affair with the horse.

Population numbers were on the rise as new and increased usage was found for the horse. Horse shows proliferated, and it wasn't long before definite breeding trends were established. Horses became specialists. Some were used only for jumping, others for cutting, and still others for trail riding. Veterinary care for all equines began to take quantum leaps, and horses started living longer and remaining useful well into their senior years.

According to the latest American Horse Council study released in 2005, the United States horse industry involves 4.6 million Americans as owners, service providers, employees, and volunteers. Two million of those people own horses. The horse industry has a direct U.S. economic impact of \$39 billion annually and provides 460,000 full-time equivalent jobs.

The study further reported on how these horses are used by their owners. The largest group is used for recreation--3,906,923 horses--reflecting the growing number of recreational riders in this country. Next in line was showing with 2,718,954. Racing accounted for 844,531 horses, and "other," which included farm and ranch work, rodeo, carriage, polo, police work, and informal competitions, totaling 1,752,439. Adding them all together, the grand total comes to 9,222,847. One can only conclude that those numbers have increased during the two years since the survey was taken.

So it would seem all is idyllic in today's horse world. Unfortunately that isn't so. There is a growing consciousness concerning horses that are abused and abandoned, with their numbers seeming to be on the increase. Emotional debate swirls around the slaughter issue. High costs of fuel and entry fees are forcing many average-income Americans out of the show ring. Indiscriminate breeding decisions over the past decade have resulted in a glut of average- to below-average-quality horses on the market.

What is to be done with this low-end surplus or overflow? Will demise of the slaughter market worsen the problem, or will the effect be negligible? Can well-meaning individuals and organizations provide enough homes for unwanted horses?

Horses for Sale

Changes in the horse market, along with societal trends, are reflected in the hundreds of U.S. horse sale facilities. These venues range from

prestigious Thoroughbred sales and top-of-the-market Quarter Horse sales, where horses sell for hundreds of thousands and even millions of dollars, to weekly or monthly sales in towns large and small across America where horses often sell for hundreds of dollars and less.

Sale managers from north to south and east to west seem to agree on one thing--the good horses, capable of earning prize money in one discipline or another, are getting more expensive, and the bottom-end horses are getting cheaper as they become more plentiful.

"Our top-end horses just keep inching higher," says Steve Friskup, who operates a sales facility in Clovis, N.M. Many of the 2,500 horses sold during the five sales held in Clovis each year are bought by ropers. The demand is for good geldings. A good one, he says, normally will start at \$8,500 and might go to \$15,000 or more.

On the other hand, horses of poorer quality are getting cheaper, he says. In fact, Friskup says it has become unprofitable for him to even accept them as consignments. In the past, the Clovis sale set aside one day during the sale to auction these horses. Friskup says that as many as 500 horses would be sold that day. However, as the market became glutted with that type of horse, the price dropped to the point where it was no longer profitable.

"Anybody who couldn't see this coming had to have his head in the sand," Friskup says. "Some people will blame the end of the slaughter market, but it involves more than that. We have produced too many horses. We have an overflow at the bottom end, and there is no way to handle the overflow. It isn't like with other parts of agriculture where the government steps in and subsidizes when there is an overflow. There is no subsidy for horses."

Raymond Harvard, a veteran sales manager operating the East Texas Sale in Lufkin, also sells a lot of roping geldings. He sells about 500 head at each of four sales per year.

Harvard echoes Friskup as to the pattern that is becoming more clear--the top horses are selling higher and the poor-quality horses are getting woefully cheap. "There just is no place to go with that kind of horse anymore," he says of low-end animals.

He predicted with the demise of the slaughter market, the problem will worsen. He attributed much of the problem to overproduction: "We had too many people who had a stud and had a mare and just bred them." They gave little thought to pedigree, conformation, or what the market was seeking, he adds.

Adding to the problem, Harvard says, is that some registries are now allowing more than one foal to be registered each year from a mare. While the backyard breeder likely won't be involved in this because of the expense of embryo transfer, it will concentrate more horses at the top, thus pushing more horses into the low-end category.

"Now, instead of a mare having five or six foals in her lifetime," he says, "she might have 30 or more. The Thoroughbred people are the smartest." (The Thoroughbred registry does not permit embryo transfer, and mares are bred by natural cover.)

One of the major sales venues in the country is the BLS Horse Sale in Billings, Mont., managed by Bill and Jann Parker. Two-day sales are held monthly, and during 2006, a total of 10,349 horses was sold: 5,072 geldings, 3,831 mares, 173 mules, 710 stallions, and 563 weanlings.

At sale after sale, says Bill Parker, the heaviest demand is for well-broke geldings. He, too, finds that the top-end horses are getting higher, and it is increasingly difficult to get decent prices for the lower end.

BLS also has had a brisk market in "loose" horses. These are horses that go through the sales ring with no guarantee and are not catalogued. Horses sold when ridden through the sales ring are "guaranteed sound until Monday noon following the Saturday sale and Tuesday noon following the Sunday sale," he says.

About one-third of the loose horses have been purchased by buyers for slaughter, Parker says. The rest go to a variety of outlets. Many mares are purchased as embryo recipients, and other offerings are bought by trail riders. Many of the horses go through the ring "loose" because they no longer can meet the soundness criteria, Parker says. "They might be ranch horses that can no longer stand up to range work, but will be a fine trail horse for somebody in the Midwest or East."

The top-selling 100 loose horses have averaged between \$750 and \$1,000 over the course of a year.

The closing of equine slaughterhouses, Parker feels, will exacerbate the overflow problem, with prices for the bottom-end horses dropping even lower.

Among the most difficult horses to market, Parker says, are mares, weanlings, or yearlings of indifferent pedigree and conformation. "People have become much more conscious of pedigree in the past 10 years," he says.

With young horses, he says, color, conformation, and pedigree figure strongly into the equation. "There's a big difference between the price brought by a stout, blue roan colt with good pedigree and conformation and an average little furball filly."

While BLS frequently sells high-ticket cutting and roping horses, market stability is produced month after month by the well-broke saddle horse. The top sellers average \$4,000 to \$8,000.

Parker feels there will be little change in the price structure for the top 100 horses sold at each sale, but the next 150 beneath them might experience a slide.

As bottom-end horses increase in number and prices drop, some sales managers fear there is a danger that sellers will simply drive off and leave unsold horses behind. That happened to Cleone Uecker, president of South Dakota Horse Sales (formerly Corsica Horse Sales) in Corsica, S.D. She holds a horse sale on the third Monday of every month. In the wake of her May sale, an unsold horse with an injured jaw and an unsold donkey that was severely foundered were left by the seller. Uecker charges a \$125 fee for the destruction of "no value" horses left on the premises. She also advertises that, "We do not accept blind, injured, extremely thin, or horses that can't travel on all four legs, or 'no value' horses." The two animals left behind had slipped through sales surveillance when they arrived as part of a load, she says.

Uecker also sees the same trend as other sales managers, with high-end horses selling well and low-enders getting cheaper. "Supply and demand is the name of the game," she says, "and an oversupply of young, nonbroke horses makes them a bargain right now. We're raising horses faster than we are trainers."

In her area, she says, a trend toward increased breeding began eight to 10 years ago. "Ranchers were getting \$350 for a calf, and colts were bringing \$500, so some sold their cows and began breeding horses. Now, they're lucky to get \$250 for a colt."

At the May sale in Corsica, yearlings averaged \$221 and broodmares averaged \$557. Loose horses ran the gamut from an average of 19 cents per pound for horses 700 pounds and under (\$133 for a 700-pound horse) to 47 cents a pound for horses weighing 1,200 pounds and more (\$564 for a 1,200-pound horse).

On the top side, John Johnson from Dublin, Texas, brought in 18 horses that Uecker described as "high-caliber bred, very pretty, show

condition, and nicely broke." The top five averaged \$5,470. A total of 701 horses were offered that day. Overall, the top five averaged \$4,705; the top 25 averaged \$3,427, and the top one-half of sale averaged \$2,929.

Pedigreed Sales

While the sales discussed to this point have been stock horses, the same trends are true in the show horse world of Arabians, Half-Arabians, and National Show Horses, says Bill Addis of Addis Auction Services in Edmond, Okla.

Addis has conducted auctions since 1986. He has watched the Arabian market fall from its pinnacle in 1986, when nearly 30,000 foals were registered in one year, to the present, where the number is about 7,000 a year.

It was a heady era in the 1980s for most purebred horses. For Arabians, palatial stables and sales venues featured horses selling for \$1 million or more at sales where Bob Hope or the Pointer Sisters might headline the pre-sale entertainment. Then the bottom fell out of the market. Prices dropped catastrophically, causing financial ruin to some breeders and an increasing exodus of what had been big-time players.

A key reason for the drops in numbers and prices was legislation passed by Congress in 1985, which stipulated that horse owners must be actively engaged in the business in order to write off equine losses against other income. Many of the big players in the game at the time were movie stars and high-profile businesspeople who promptly exited the business.

Today, Addis says, the good horses that are capable of winning money in the show ring still sell high, but the lower end is getting more difficult to market. "I've always been able to sell a horse at a sale," he says, "but now there generally are three or four where I can't even get a bid."

One of the more ominous trends in showing is the high cost of attending a show driving away average-income families. Because of high costs, many smaller Class A Arabian shows are shrinking, with only a few horses entering each class.

Addis also sees another trend--a greater distancing from traditional horse culture. He is in his early 50s, and he sees his generation as the last one with true connections to the horse culture of the past. As that distance widens, he foresees a lessening of interest in future generations.

While he harbors doubts about the future of the horse industry, Addis is

quick to point out, "We are breeding better horses today than we ever have." And, he says, prices for these top-end horses are creeping back up. A top Western pleasure Arabian or Half-Arabian, he says, might sell for \$150,000 to \$175,000.

The sale of Saddlebred horses at auction has remained relatively stable, says Suzie Teater. She and her husband, Ed, have long been associated in a managerial and ownership capacity at Tattersalls in Lexington, Ky. Ed Teater is president of TSE/Tattersalls. Tattersalls has been selling horses in Lexington since 1892, when the well-known London and Newmarket sales company expanded to North America.

In the past, Tattersalls conducted Saddlebred sales in the spring, summer, and fall, but this year it dropped the summer sale. A combination of summer heat and competing activity at the Junior League Saddlebred Show in Lexington lowered consignment numbers, Suzie Teater says. Because of the summer sale cancellation, it is anticipated there will be increased consignments at the fall sale.

Suzie Teater says she was concerned at the April sale there would be a drop-off in prices for lower-end horses. That didn't happen, and, overall, the sale had the highest average of the last five spring sales. The overall average was \$3,940 for 212 horses.

"I think our market is very healthy" says Suzie Teater, "A lot of new people are becoming involved." Top-quality horses, she says, continue to attract buyers who can afford them. The high-selling horse at the spring sale was a five-gaited gelding that went for \$35,000.

On the breeding side, there are fewer large breeders, she says, but there is an increasing number of small farms where owners might have only two or three mares.

Also presenting a positive outlook was Tyler Atwood, who heads up the Morgan Horse Registry. In 2005, he says, there were 3,156 Morgans registered; in 2006 this climbed to 3,461. Based on stallion reports, it appears about the same number will be registered in 2007 as in 2006.

While the registry doesn't track sales figures, it appears there is a positive market for Morgan horses. At a recent sale, he says, there were both high-ticket horses and those in the "average" category. The average horses brought \$2,000 to \$3,000 each, and the owners and sale company appeared happy.

BLM Horses

The feral horses the Bureau of Land Management (BLM) offers for adoption are also a consideration when discussing available horses. In round numbers, there are about 32,000 horses roaming wild in 10 western states. Since the adoption program began in 1973, some 208,000 horses and burros have been adopted. That sounds positive, but BLM officials say the rate of adoption is slowing, and more horses now have gone into long-term holding facilities.

Those facilities are nearing capacity, containing 18,000 horses and burros. Another 8,000 or more are in short-term holding facilities. More are on the way. BLM's goal is to cut the number in the wild to 28,000, and roundups are planned this year.

The annual appropriation for the BLM's wild horse and burro program is \$36 million. At least half of that amount goes toward the cost of caring for horses and burros in holding facilities.

At the holding facility in Rock Springs, Wyo., BLM officials have offered "buy one, get one free" in an effort to stimulate adoptions. The minimum cost of adopting a single horse from the BLM is \$125, but if you adopted a mare at Rock Springs this past summer, you got her foal free. The goal was to open space in the facility.

Horses Across the Borders

The slaughter of horses in this country is something of a moot point because at this writing, all three U.S. slaughter plants are closed as the result of litigation. The result has been an increased flow of horses to Canada and Mexico.

Figures from the USDA indicate a good deal of the flow has been directed to the south. As of July 26, some 19,575 horses had been shipped to Mexico for slaughter. The figure for the same period in 2006 was 4,010 horses.

Figures are not available for the export of horses to Canada specifically for slaughter, but totals are available for horses exported from the United States to Canada for all purposes. In 2005 that number was 20,312, and in 2006 it was 26,250. Through May 2007, a total of 13,913 horses had been exported to Canada.

Prior to the closing of the three U.S. slaughter plants, somewhere between 90,000 and 100,000 horses were slaughtered annually in this country. Legislation is pending at the federal level to make it illegal to transport horses anywhere for the purpose of slaughter.

Proponents of slaughter maintain there will be a burgeoning excess of unwanted horses that will be beyond what welfare and rescue organizations can handle. Opponents of slaughter say there are ways and means to handle these horses in the private sector.

Welfare At Work

In an effort to learn about equine rescue and welfare groups, The Horse contacted more than 100 welfare groups in North America. Thirty responded to a series of questions prior to publication. (All responses from these groups will be posted at www.TheHorse.com/ViewArticle.aspx?ID=10104.)

Nearly 1,000 horses were taken in during 2006 by the 30 groups. Some groups rescued as few as four, while other groups took in nearly 300. During the first six months of 2007, the groups reported they had worked with 727 new cases.

The goal of many of the groups is to rescue, rehabilitate, and adopt out horses that come into their care and custody. A recurring theme in comments received was that the groups face problems from being "at capacity" and with limited funding as the number of horses coming through their facilities increases.

It was the consensus of the groups responding that more horses will need help from rescue organizations in the future.

"We don't often take in donated horses, or those owners want to drop off," says Jennifer Williams, PhD, president and executive director of the Bluebonnet Equine Humane Society in Rosharon, Texas, "but we are getting more e-mails than ever before from people wanting us to just take their horses. People relate it to the end of slaughter, but I don't think that is an issue yet. The horses that we've been called about in neglect cases did not get this thin in the last month or two; it took longer than that. And most of the owners who contact us, wanting us to take their horses, say they would never want to send their horses to slaughter or even an auction. Texas and Arkansas have both suffered a severe drought, and I think that's one contributor to the increased number of neglect cases."

An official of Hope For Horses, a rescue organization in Blue Ridge Texas, says: "A huge issue is the influx of horses due to closed slaughter and feedlot operations and the reduction in horse properties available to us as we grow."

Arizona Equine Rescue says its representatives are seeing an increasing

number of starvation and abandonment cases due to high hay prices; they've also seen an increase in large herd cruelty in the past five years.

Officials at Save a Forgotten Equine in Monroe, Wash., feel that rescue groups must brace for increased numbers when both slaughter of horses and transportation to slaughter are illegal: "We do expect there to be an initial glut of horses needing homes (when that time comes) that we and many other rescues will need to be involved with. We always see a rush of horses in the fall, as many people dump their horses during this time of year so that they don't have to feed them in the winter."

It is the same across the country in central New York. An official from New Beginnings Equine says: "It (horse abandonment) seems to increase every year. More and more are just 'thrown away' for whatever reason, and I don't see this letting up in the future at all."

Take-Home Message

While many facets and forces are involved in the problem of unwanted horses, so it is with a solution. There is no simple and easy cure. A basic beginning can be made by curtailing production--simply cutting down on the number of horses that might wind up in the unwanted category.

It also is obvious that horse rescue organizations are in need of all kinds of help--money, labor, and space--to mention the three most-requested. There are no easy answers, but people who own and enjoy horses owe it to these four-footed friends to diligently seek solutions.