

Horses in the year 2000 will play a far different role in society than they did at the turn of the last century. In 1900, horses were still an essential part of America's economic engine, literally powering both agriculture and urban commerce. Following a steady decline in numbers from about 1914 until just after World War II, the horse population rebounded, defying the doomsayers who predicted they would disappear entirely from the American landscape.

What the doomsayers failed to see was that people had an emotional as well as an economic attachment to horses. When agriculture and transportation no longer provided motives for maintaining horses, horse lovers found another purpose for them—recreation.

Horse Shows: Changing Emphasis

Horse shows are one of the most visible recreational uses for horses. In 1995 alone, more than 10,000 events were sanctioned by major breed and sport organizations. In addition to this, thousands of local, unsanctioned shows don't even show up in the annual tally that is compiled by the American Horse Council.

Most horse shows were local in the 1930s and 1940s. If you had a good string of horses, you might load them on a boxcar and ship them to a big agricultural fair at the end of the season, riding or driving the horses from the railroad siding to the showgrounds. In the 1950s, horses would have climbed onto a specially constructed horse van. By the late 1950s and into the 1960s, automobile engines were powerful enough to pull small one- or two-horse trailers that horsemen were inventive enough to build. New mobility ushered in a new era of recreational showing.

In the 1970s, weekend showing became an industry unto itself. Year-end awards and increasingly tougher competition created boom times for coaches and professional trainers. The money flowing

The Future of the Horse Industry

Industry

BY BONNIE KREITLER

freely through the American economy during the conspicuous consumption binge in the 1980s flowed into their pockets as well. Horse show managers developed circuits to keep riders on the move. Where the show season had once ended in late fall, now there were winter circuits in sunny Florida and California to keep trainers and their clients on the go and the money flowing.

Then came change: a tax law that made it harder to write off losses from horse enterprises against income earned from other sources, a stock market shock in 1987 and the more cautious consumption patterns of the 1990s. Today, horse showing is a different game.

Horse Shows: Still Evolving

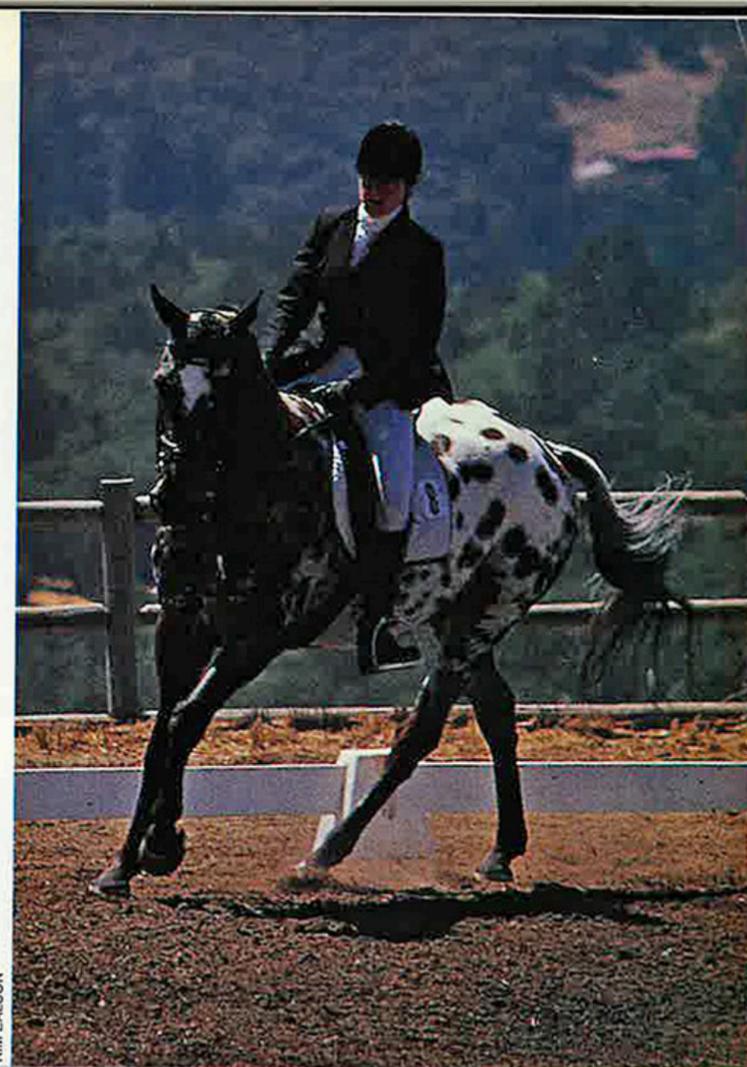
Long-time industry watcher Clinton Depew, who sits on the American Quarter Horse Association membership committee and was the Louisiana Extension Service's horse specialist for many years before becoming its assistant director, feels that people have become tired of showing—not so much showing, perhaps, as getting constantly beaten. "It's not recreation anymore," he says, "and it's so expensive."

Depew feels that point-chasing to

qualify for the big "world" shows offered by many breeds has become so costly and requires so much travel that it discourages many horse owners from getting into the game at all. The world shows also hurt smaller local and regional shows, he says, since big-name horses and riders often show at the local and regional level only as long as necessary at the beginning of the season to qualify for the national shows. That reduces entries at shows held later in the season.

In a given year, Depew points out, there can be only so many star performers, and showing has become intensely competitive. Various disciplines tend to be dominated by a certain number of horses and people. If someone raises a good colt and starts to show him in a year when a lot of other good colts are also out there, it doesn't take too many trips out of the arena without any recognition before that person gets discouraged and quits the game to find something else to do. "Ultimately, you have to figure out how to equalize the competition in a class and make sure judging is objective," he says. "The industry can't survive unless it helps the rider on the \$1,500 horse who learned by himself have a good time, not just the rider on the \$40,000 horse with a pro coach."

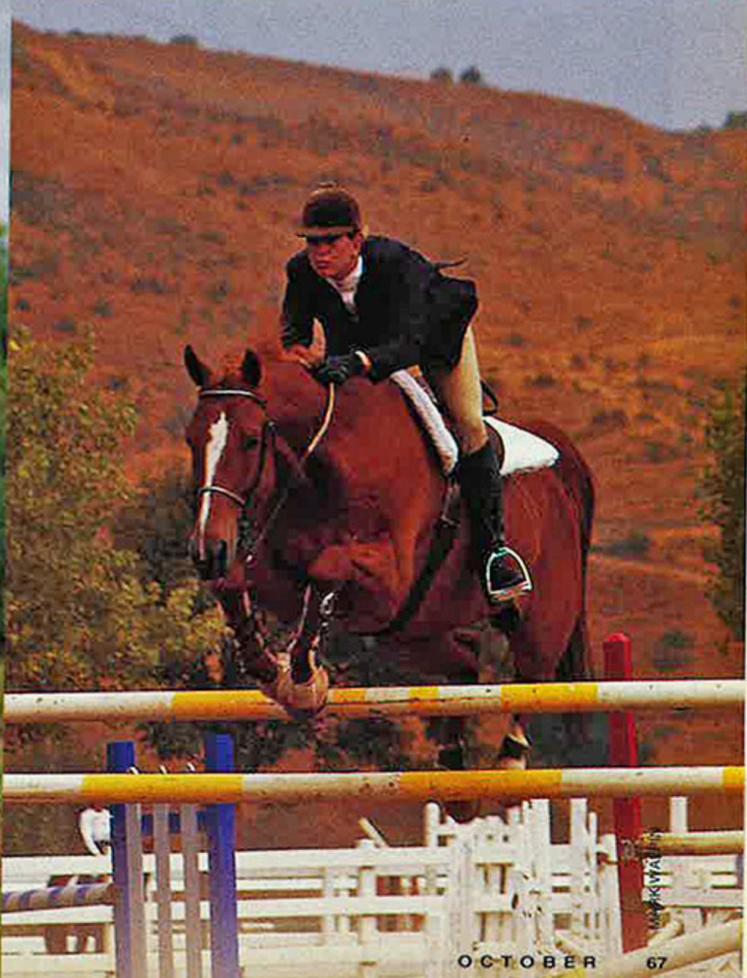
Disenchantment with traditional horse show classes may be one of the factors priming the exploding interest in sports like team roping and team penning, where handicapping systems are used to equalize opportunities for every



KIM EALSON



TOM AND VICKI PARKER



KIM EALSON

The first step in predicting the equine industry's future is to identify the trends that shape it today.



TOM AND VICKI PARKER

Horse showing is becoming more recreational, and is attracting more amateur-owner showmen than professional trainers.



GEMMA GIANNINI

Today, trainers are involving owners in lessons and in the showing of their horses, instead of the total trainer control that was exercised in the 1980s.

team to be a winner. Other sports, such as dressage and reining, are also showing healthy growth because they offer objective scoring systems that ensure that competitors ride against their peers. "People like to compete," says Bill Brewer, executive vice president of the American Quarter Horse Association. "Legitimate, true, real competition is fun. The more you can refine and enhance the judging system, the better off you are," he adds. So, while entries may be down in halter and western pleasure classes, they are up in classes like trail, reining, cutting and roping, where a good or bad performance can be more objectively judged.

Amateurs: Booming Growth

Shows and sports that have taken steps to encourage entry-level riders and help amateurs be successful are also finding success. Brewer notes that AQHA's amateur division has grown every year since its formation in 1979, while participation in open classes declined every year from 1979 until 1995. AQHA now offers a novice amateur division for riders with no points at all. The American Cutting Horse Association offers more buckle classes for amateur cutters and schedules their classes so they have fresh cattle and plenty of turn-back help. Country pleasure classes for American Saddlebreds and

classic pleasure classes for Morgans, both ideal for amateurs who work and therefore have limited training time, are filled to the brim.

"Overall, every discipline we cover is prospering," says John Strassburger, editor of *The Chronicle of the Horse*, a weekly publication that covers hunters, jumpers, eventing and dressage. Strassburger believes a good part of the growth at the amateur level is being fueled by baby boomers who finally have expendable income and time to ride after raising families and building careers. The United States Combined Training Association adult team championship, that has been sponsored by *The Chronicle* since 1990, draws more teams each year, says Strassburger. The 1995 competition brought out 44 teams, mostly at training and novice levels. At hunter/jumper shows, he notes, adult-amateur, 3-foot hunter classes and adult-amateur, 3-foot, 6-inch jumper classes are both packed.

Pros: a Different Game

Tighter money in the 1990s than in the 1980s has led people to seek maximum value for their dollars. That's true in recreation as much as in consumer goods. While people are still willing to spend their money on horses for recreation, they want a good return for those dollars.

In the 1980s when people often regarded their horses as an investment that had to win in order to be valuable, owners were willing to pay professional trainers top dollars to train and ride expensive horses. With the emphasis now on recreation, owners would prefer to ride themselves, even if it means that a horse might not reach its full show potential. Traditionally, says marketing director Liz Hoskinson of the American Horse Shows Association, when people got a really nice horse, they turned it over to a top trainer who would take it to its ultimate destiny. Now they want to show that horse themselves. Even the United States Equestrian Team, which has depended on the philanthropic largesse of owners with quality horses to loan since its inception, is feeling the squeeze.

Horse-farm consultant Bob Brooks of Storybook Farm Management Service in East Lyme, Connecticut, notes that in the high-rolling 1980s, many people who were really only consumers of goods and

Horse racing, which has inspired a great amount of equine research, has recently been suffering economically.

services in the horse industry kidded themselves that they were really producers, and many trainers encouraged that notion. In the more temperate 1990s, that distinction is better understood. And when people recognize that their horses are a hobby, not a business, they want to get some personal fun from the recreational dollars they are spending. That means they are no longer content to put a trainer on a \$50,000 to \$100,000 horse while they ride a much less-expensive pleasure horse around at home or in a few amateur classes.

Professional restiveness surfaces in grumblings about "watering down" competitions and lowering standards as shows make changes to attract amateur owner-riders. Professionals float ideas such as minimum monthly training fees, unions and prize moneys designated strictly for professionals. "It's a different ball game



GEMMA GIANNINI

for professionals, but some haven't figured it out yet," says Strassburger.

Depew notes that those a bit quicker on their feet have recognized that the day of total trainer-control is over. To compensate, they are offering clinics to bring in potential customers, involving owners in lessons and showing, and recognizing that there are not as many big-money customers who can support a string of

horses as there were in past years. Strassburger points out that many barns, that were for a long time accustomed to dealing with youngsters, now find themselves giving lessons primarily to adults who have different needs and expectations. Trainers who don't change their methods to accommodate these new customers will find their bottom line adversely affected.

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In the year 2000, a breeder is more likely to have only a few mares that he cares for himself.

Breeders: Looking up a Bit

This shift away from an emphasis on professionals riding top horses to amateurs having fun with whatever they have has produced a bright spot in the horse market. Activities such as team penning have bolstered the price of the good old cowboy horse, says Depew, and established a new floor. Horses that don't quite make the top as cutters or reiners now have a place to go, economically speaking. The same is true in the English world. "The adult amateur division gives a nice home to the non-superstar horses," says Hoskinson.

"There's a big market for saintly jumpers," says Strassburger. "And the price of really good horses is not going down." Add to that trend the fact that new registrations are still 26 percent over 1985's highs, and you have hope for a firmer market in the late 1990s than the horse industry experienced in the late 1980s.

While no one keeps overall statistics on horse prices, auction sales give some idea of the trend. The TSE/Tattersalls Fall Sale of Saddlebreds, which has been held for over 100 years, broke all existing sales records last year. Rhonda Sedgewick Stearns, horse editor of *Tri-State Livestock News*, which takes the pulse of horse auctions throughout the Midwest and Rocky Mountain states, says the market for ranch horses and good, average performance horses had been around \$1,500 to

\$2,000, but now appears to have moved up to \$2,000 to \$3,000. That's a 33-percent to 50-percent increase. At the Red Bluff ranch gelding sale in Red Bluff, California, 1996 prices were up an average of \$600 a head over 1995's prices. The sale average for these well-broke ranch geldings was \$4,717, and the top-selling gelding went under the gavel for \$17,500, the highest price in the sale's history.

Another factor bolstering prices for some breeds is that the horse market is now a world market. The stream of European warmbloods heading into the United States over the past decade has slowed somewhat. Now it's America's turn at exporting. Stearns says that Europeans have become crazy for Quarter Horses, especially reiners and cutters. European cowboys mean sales opportunities for breeders, trainers and manufacturers of western riding equipment. "It's a whole new market, a whole new ball game," she says.

Brewer notes that in 1992, the first American Quarter Horse Association director elected from outside the United States joined the association's board from Mexico. He expects the first European director, probably from Germany, to be elected this year and sees an Italian director by 1998 or 1999. "There's not a little interest in Europe, there's a lot," he says. The European Quarter Horse Championship ranked in AQHA's top 10 shows worldwide last year and drew 30,000 spectators.

With breeders less inclined to view horses as investment properties, no great surge in overall horse numbers is predicted as we approach the year 2000. Brooks notes that there are fewer breeders maintaining large bands of broodmares now, compared to the early 1980s. Instead of 20 to 100 broodmares roaming the pasture, and a farm manger running the show, a breeder is more likely to have one, two or three mares that he cares for himself. Shipped semen is also changing the breeding equation. Larger breeding operations will see their revenues from mare board drop, while the demand for lab technicians and veterinary services will increase. The local, so-so stallion is going to lose mares to more popular and heavily promoted stallions because geography is no longer a factor in matings.

Retailing: Service and Value

The impact of baby-boom amateurs is being felt in retail markets as well as in the show-ring. Working baby boomers trying to fit riding into a busy lifestyle want efficient fun. They also want clothes that fit their more mature figures, comfortable saddles, exercise videos to help them keep fit for riding during the week, and magazines that are different than the ones their kids read.

They expect value for their dollar. "People are working harder to get bargains," says Steve Day of State Line Tack. "Our customers are asking better and better questions all the time. They are sharper about how they spend their money."

Both Day and Daniel DeWeese, editor of *Tack N' Togs*, feel that customer service is key for retail success in the 1990s. "If you can't respond to customer requests, they become disenchanted," says Day. DeWeese sees this point as one that is missed by some of the pet discount stores that are opening horse sections. "Horse owners are particular about who they do business with," he says. "They want to buy information along with their products." The clerk who only runs a cash register will not satisfy them.

Horse people view a shopping experience as an extension of their participation in horse sports, says Day. DeWeese sees the cramped, mom-and-pop tack shops of past years giving way to more spacious stores that have better displays and are organized into small, regional chains. That way, they can achieve an economy

of scale on ordering, which can help them compete with catalog discounters while maintaining the flexibility to carry unique goods that discounters cannot easily sell in volume.

Horse Racing: More of a Risk than Ever

One not-so-bright spot in the horse industry's future is racing. State lotteries and Indian casinos have cut deeply into racing revenues. "Horse racing is suffering, and it's getting worse," says Depew. It's not just Thoroughbred racing that is in trouble. Arabian and Quarter Horse racing is feeling the pinch, too. Brewer notes that in 1970, pari-mutuel racing took in 25 percent to 28 percent of the total dollars legally wagered in the United States. In 1994, racing's take was only 4 percent. The number of horses starting at Quarter Horse tracks and the number of racing Quarter Horses breeders have also declined.

Why should recreational riders care? Racing has provided the incentive for a great deal of the equine research in the United States, since horses ceased to be economically viable as agricultural animals. Media coverage of big events, such as the Kentucky Derby, keeps horse sports in front of the general public on a regular basis. At one time, racing was considered the horse industry's biggest spectator sport, a fact used to pump up the industry's economic impact figures. Not anymore. "The entertainment business is so good at getting our attention, that racing is having a hard time attracting people as spectators," says Depew.

Identity Crisis

Many would argue that modern horses are facing an identity crisis. While the industry is firmly rooted in agriculture, today's horses are part of the recreational economy. While university programs still lump horses with cattle, sheep and pigs, economically they compete with boats, snowmobiles and mountain bikes for consumer attention and dollars.

This dual allocation makes it difficult to market horses to those outside the industry. Horses are not agriculture anymore, but it is hard to sell horse activities as a "sport" to those outside the industry. Strassburger points out that the non-horse media have a difficult time reporting on horse shows because there are often no clear and immediate winners, as

there are in racing. The champion may not be pinned until all the points from several classes are tallied at the end of the show, and by then the reporter has moved on to another assignment. Worse still, results are often not even available until several days—even weeks—after the show. Even horse media have a hard time getting competition results or figuring out how to cover some events.

Show organizers also give little or no thought to media coverage of the event as a sport, says Strassburger. As a result, the only publicity horse events get are pre-show fluff pieces or coverage of celebrity spectators. "I think the biggest limitation to public acceptance of horse sports is that they are largely still perceived as silly social affairs," he says. "And this stigma is encouraged by what they see in the media." Legitimate sporting events release results, scores and finishing times immediately in a clear, understandable format. Daily papers need daily results. The horse industry is missing the publicity boat.

Unfortunately, the industry badly needs publicity to counter the impression that riding is only for the very wealthy. Most breed and media demographic studies indicate that the typical horse owner is a female in her mid-30s to 40s, with a solidly middle class income. DeWeese feels there is a nagging worry pervading the horse industry that the cost of horse ownership is rising and that this eventually will affect overall numbers.

As a recreational pursuit, the horse industry needs to develop more ways for people to enjoy horses and riding on an occasional basis without a heavy commitment of time and money. Creative programs that allow several people to co-lease a horse, and lesson programs geared toward the evening and weekend hours available to working riders, are proving successful. Opportunities for dude-ranch and other riding-oriented vacations are expanding rapidly. The successful horse-industry business owner in the year 2000 will be the one who studies the demographics, predicts where they are leading, and then changes his business to accommodate them instead of pining for the "good old days."

Demographics

Industry watchers see age-related wave patterns in the horse industry. Juniors participate actively through age 16 to 18, then leave riding while they go to college,



Horse owners are demanding more value for the money they are spending.

start families and establish careers. They return in their 30s, often bringing their children with them, and ride into their 50s, when participation ebbs again. They return yet another time in their 60s and 70s, but this time they carry the grandchildren along.

If the baby boomers follow this pattern and their participation drops off as they reach their late 50s, doomsayers predict the repercussions will be felt throughout the horse industry. Others point to the healthy numbers of juniors as a sign the future is bright. The key will be finding patterns of horse ownership and use that fit into current and future lifestyles. Over the past 100 years, the horse industry has shown great flexibility in adapting to both cultural and economic pressures. The doomsayers were wrong about the horse industry once before. And it's likely they will be again.

Author Bonnie Kreidler, a frequent contributor to HORSE ILLUSTRATED and long-time horse industry observer, chronicles industry trends over the past century in the first chapter of 50 CAREERS WITH HORSES!, published last fall by Breakthrough.