

# **The Economics of Horse Keeping**



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# Outline

- What will be presented:
  - Costs associated with horse ownership
    - Meeting basic horse needs
    - Other costs?
  - Tips for reducing the cost of horse ownership in tough economic times



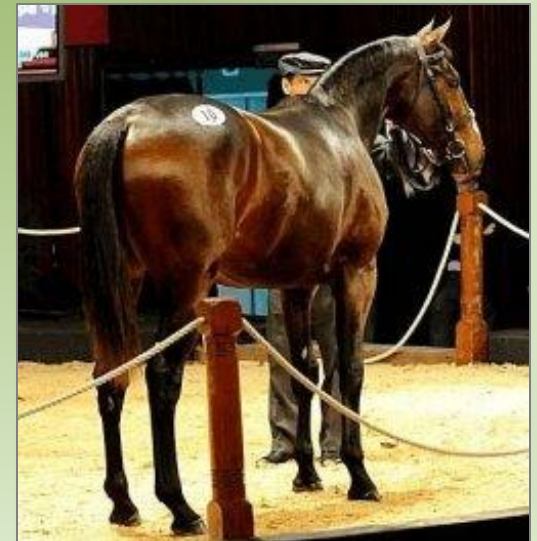
# The Expense of Horse Care

- Prospective owners should consider the costs of horse ownership prior to buying
  - Goal is to maximize the benefits of horse ownership
  - Most think in terms of annual cost of ownership, but really should be thinking ahead about long-term care (i.e. for the life of the horse)
- Current owners may need to assess their horse care budget and consider making some adjustments
- Costs will vary due to diversity of horse use and differences in management



# Costs to Consider

- Market value of horse
  - Initial cost of horse
  - Varies from a few \$100 to several \$1000
  - Depends on pedigree, condition, level of training



- Housing
  - Where will the horse live?
    - On owner's property or at a boarding facility?
  - Will horse be kept primarily in a stall or on pasture?
  - Board
    - Pasture board versus full service
    - Can vary from less than \$100 to over \$600/month





- Feed

- Nutritional requirements influenced by:

- Age of horse
    - Use of horse/activity level
    - Individual horse characteristics (metabolic rate)

- Hay

- Daily hay ration estimated at 1.5% of horse's body weight
    - Grass versus legume

- Concentrate (grain mix)

- Does the horse need grain? How much? What type of grain?

- Availability of pasture will reduce hay and grain requirement



- Health care
  - Veterinary care

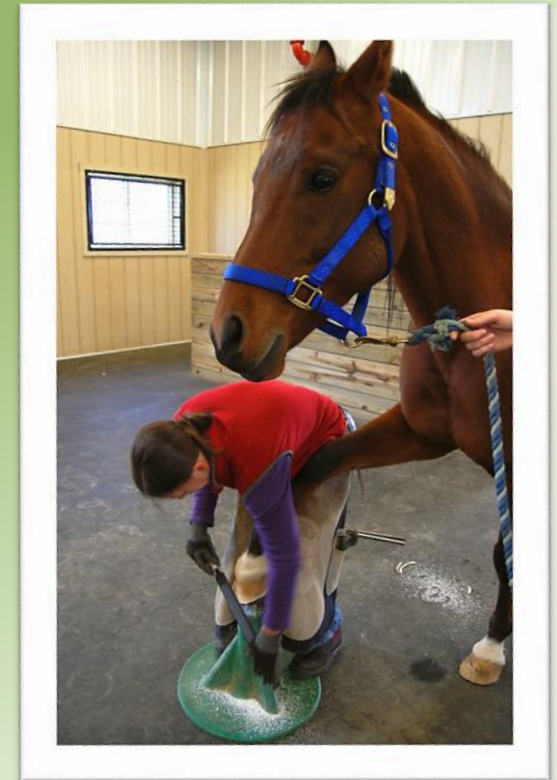
- Preventive care including annual vaccines, routine physical examinations, and dental care
- Varies tremendously and may fluctuate from year to year
- Average cost of \$200-\$300/year if horse is healthy

- Deworming

- Cost of anthelmintic products
- Frequency of deworming
- Performing fecal egg counts



- Farrier
  - At a minimum, periodic hoof trimming (typically every 6-8 weeks)
  - More expensive if shoeing
  - Hoof boots offer an alternative





- Bedding
  - Bedding needed for stalls and/or shelters
  - Type of bedding
    - Straw versus shavings versus other alternatives
  - Quantity of bedding
  - Boarding facilities may charge a fee for bedding



- Equipment

- Needed for riding, training, daily care
  - Saddles, halters, brushes, buckets, forks, etc.
- Other equipment needs which may include larger, more expensive items
  - Manure spreader
  - Arena drag
  - Small utility vehicle
  - Trailer
  - Truck



- Other Expenses

- Costs associated with lessons and training, showing, reference materials, special clothing purchases



- Other costs to consider
  - Ownership costs
    - Initial expense of the horse, land, barn, and other equipment represents a substantial investment
    - Additional, on-going annual costs including insurance, taxes, and interest on borrowed capital
  - Operating costs
    - Repair and maintenance costs for the barn, fencing, and equipment
    - Pasture expenses such as seed, fertilizer, lime, mowing, temporary fence
    - Horse-related utilities such as water, heat, electricity

# Estimated Costs of Horse Ownership

Item	Cost/day	Cost/year
Feed (hay & grain)	\$2.34	\$854.10
Foot Care: minimum (With year round use & shoeing at 8-week intervals the cost would be ~\$390/yr)	\$0.33	\$120.00
Veterinary Service	\$0.685	\$250.00
Repairs: facilities & tack (10% of new value)	\$0.77	\$370.15
Depreciation: facilities and tack (tack - 5% of new value; facilities- 10% of new value)	\$1.11	\$404.60
Interest @ 8% (operating cost, facilities, tack)	\$1.17	\$427.77
<b>Total Feeding, Operating Costs</b>	<b>\$6.41</b>	<b>\$2426.62</b>

Table courtesy of eXtension Horses (2008 estimates – Horse kept at owner's home)



- Table courtesy of the University of Maine Cooperative Extension
- Information and cost estimates updated in 2011

Hobby Horse Ownership: Comparison of Costs Based on Stabling (1100 pound HORSE – light work)						
Item	Unit	Price	Quantity	Total Stabled at Home	Total Stabled Away	Your Cost
<b>Cash Expenses</b>						
Hay*	45 pound bale	\$4.50	135	\$607.50		
Grain**	cwt	\$20.00	20	\$400.00		
Salt/Minerals	block	\$10.00	1	\$10.00		
Boarding	month	\$260.00	12		\$3,120.00	
Pasture Mowing	Acre	\$15.00	2	\$30.00		
Fertilizer/ Lime	Acre	\$25.00	2	\$50.00		
Vet & Medicine	Head	\$500.00	1***	\$500.00	\$500.00	
Farrier	Trip	\$50.00	7	\$350.00	\$350.00	
Supplies	Head	\$55.00	1	\$55.00	\$55.00	
Replacement Tack	Head	\$165.00	1	\$165.00	\$165.00	
Bedding	Head	\$400.00	1	\$400.00		
Hauling	Mile	\$600.00	1	\$600.00	\$600.00	
Building & Fence Repair	Barn	\$10,400.00	0.05	\$520.00		
Utilities	Head	\$60.00	1	\$60.00		
Insurance	Capital	-	0.02			
Other: lessons, showing, training, magazines, etc.		\$350.00	1	\$350.00	\$350.00	
<b>Total Cash Expense</b>				<b>\$4,097.50</b>	<b>\$5,140.00</b>	
<p>* Hay for 1100 pound horse at 1.5 pounds per cwt per day for 9 months (on pasture the other 3 months)</p> <p>** Grain for 1100 pound horse at 0.05 pounds per cwt per day</p> <p>*** 1=one head of horse, not one vet visit; \$500 is for multiple visits</p> <p><i>Updated estimates determined in collaboration with the Maine Equine Welfare Alliance.</i></p>						



# **TIPS FOR REDUCING THE COSTS OF HORSE OWNERSHIP**

# Initial Purchase

- Consider adopting a horse from a local rescue
- There may be “free” horses available, in need of a new home and/or job
  - A prepurchase exam is recommended no matter the cost of the horse



# Reducing Housing/Facility Costs

- Consider your housing/facility needs
  - Size of barn (i.e. number of stalls)
  - Will a shed and a small feed/tack storage area suffice?
  - Number and size of pastures or paddocks
    - Grazing versus exercise/turn out
- Keep up with fence and building maintenance
  - Repair versus replace



# Reducing the Cost of Boarding

- Consider switching from stall to pasture board
- Rates may be reduced in exchange for feeding and stall cleaning
- Consider boarding horses for other people
  - May not be profitable, but can set prices to help pay for the care of your own horse(s)
  - Important to consider capacity (available land, housing, and other resources)





# Reducing Feeding Costs

- Base your horse's diet on good quality forage and buy hay in bulk
- Weigh your horse's feed to make sure you are feeding the recommended amount
- Use hay feeders in stalls and outdoors to reduce hay wastage
  - Hay fed on the ground can result in losses of up to 57% and some feeders pay for themselves in 2 years or less (Martinson et al., 2011)



# Reducing Health Care Costs

- Develop a good working relationship with a veterinarian
- Discuss a horse health program with your veterinarian that works best for your situation
  - Not all horses need every vaccine available (e.g. core versus risk-based vaccines)
  - Make decisions regarding the extent to which you can absorb substantial financial commitments before an emergency occurs

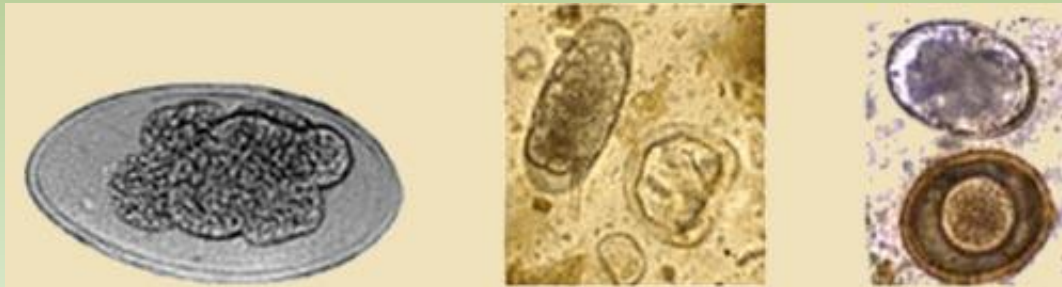
# Reducing Health Care Costs Cont'

- Have your horse's teeth checked at least once/year
- Learn to take your horse's vital signs and become familiar with normal behavior
  - This will be helpful in determining the extent of an illness or injury
- Learn how to administer intramuscular injections and oral medications and to apply basic leg wraps



# Reducing Health Care Costs Cont'

- Optimize your deworming program by performing fecal egg counts
  - Fecal egg counts can cost as much as \$20-25/horse, but allows you to “target” treatments to high shedders
  - Takes about a year to determine parasite shedding status, but result is less frequent deworming and less money spent on deworming products



# Reducing Hoof Care Costs

- Consider leaving your horse barefoot if he/she has good hoof quality and stays comfortable when worked
- Remove shoes in the “off-season” or only put shoes on the front feet
- Work with your vet and farrier to correct hoof problems early



# Minimize the Costs of Bedding

- Turning horses out can minimize stall cleaning, thus saving the cost of shavings/bedding
- Check prices of different bedding materials, but take into consideration availability, delivery, storage, and absorbency



# Reducing Equipment Costs

- Keep tack and equipment clean and in good repair
  - Tack that is cleaned and oiled regularly will last longer
  - Consider buying lightly used equipment
- Keep up with maintenance of farm equipment, trailers, and vehicles
  - Regular oil changes, check tires, make necessary repairs

# Minimizing Other Expenses

- You can still participate in shows, but you may need to be more selective about which shows to attend
- Trailer pool to shows, clinics and trail rides
- Look for sales at tack shops to help reduce the amount of money you spend on equestrian clothing and footwear

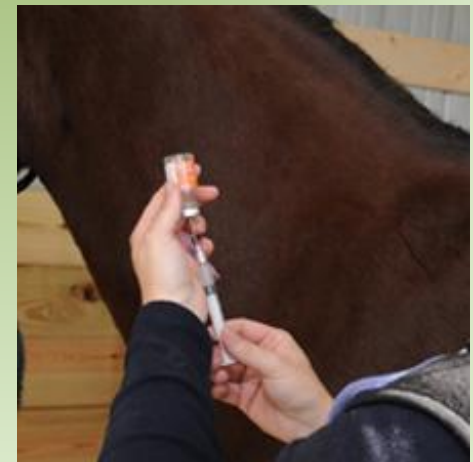


# Additional Suggestions

- When to blanket
  - Most horses do not need to wear a blanket
    - Exceptions include a clipped horse during cold temperatures and hauling during cold weather
- Talk with equine organizations, your Cooperative Extension Service, industry professionals, and other horse owners as they may be able to offer additional tips and to identify ways to cut costs
- If you have found ways to reduce horse care costs, share that information with others in the equine community

# When Not to Reduce Costs

- Feed good quality hay
  - Low quality hay is usually less expensive, but is usually more mature, less nutrient dense, and less digestible
- Emergency vet care
  - Waiting to contact a veterinarian during an emergency can result in additional procedures and after care expenses as well as prolonged recovery time
- Core vaccinations and dental exams
  - Disease prevention is more cost effective than treating a sick horse





# Summary

- Annual cost of caring for an individual horse can be \$1,800<sup>\*</sup> - \$8,500<sup>†</sup> depending on a multitude of factors
- Practices that will help increase your enjoyment of horse ownership
  - Research before you buy
  - Understand the needs of the horse
  - Maintain accurate records of expenses and make adjustments to help lower your costs

\*AAEP      †Orban-Brown (2008)

# References

- Guide to first-time horse ownership, The University of Maine Cooperative Extension, Bulletin #1004 available at <http://umaine.edu/publications/1004e/>
- Managing your horse on a tight budget, Dr. Patricia Evans, Southern States article available at <http://www.southernstates.com/articles/managing-your-horse-on-a-tight-budget.aspx>
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- Martinson K. and Wilson J. 2009. Equine Economics: Optimizing Horse Health and Management on a Budget. University of Minnesota Extension Publication available at [http://www.mnhorsecouncil.org/docs/equine\\_economics\\_factsheet.pdf](http://www.mnhorsecouncil.org/docs/equine_economics_factsheet.pdf)

# Questions???

