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

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

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

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Price</th>
<th>Quantity</th>
<th>Total Stabled at Home</th>
<th>Total Stabled Away</th>
<th>Your Cost</th>
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</thead>
<tbody>
<tr>
<td><strong>Cash Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hay*</td>
<td>45 pound bale</td>
<td>$4.50</td>
<td>135</td>
<td>$607.50</td>
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<tr>
<td>Grain**</td>
<td>cwt</td>
<td>$20.00</td>
<td>20</td>
<td>$400.00</td>
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<tr>
<td>Salt/Minerals</td>
<td>block</td>
<td>$10.00</td>
<td>1</td>
<td>$10.00</td>
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<tr>
<td>Boarding</td>
<td>month</td>
<td>$260.00</td>
<td>12</td>
<td>$3,120.00</td>
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<tr>
<td>Pasture Mowing</td>
<td>Acre</td>
<td>$15.00</td>
<td>2</td>
<td>$30.00</td>
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<tr>
<td>Fertilizer/ Lime</td>
<td>Acre</td>
<td>$25.00</td>
<td>2</td>
<td>$50.00</td>
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<td></td>
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<tr>
<td>Vet &amp; Medicine</td>
<td>Head</td>
<td>$500.00</td>
<td>1***</td>
<td>$500.00</td>
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<tr>
<td>Farrier</td>
<td>Trip</td>
<td>$50.00</td>
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<td>$350.00</td>
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<td>Supplies</td>
<td>Head</td>
<td>$55.00</td>
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<td>Replacement Tack</td>
<td>Head</td>
<td>$165.00</td>
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<td>$165.00</td>
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<td>Bedding</td>
<td>Head</td>
<td>$400.00</td>
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<td>$400.00</td>
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<tr>
<td>Hauling</td>
<td>Mile</td>
<td>$600.00</td>
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<tr>
<td>Building &amp; Fence Repair</td>
<td>Barn</td>
<td>$10,400.00</td>
<td>0.05</td>
<td>$520.00</td>
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<td></td>
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<tr>
<td>Utilities</td>
<td>Head</td>
<td>$60.00</td>
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<td>$60.00</td>
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<tr>
<td>Insurance</td>
<td>Capital</td>
<td>-</td>
<td>0.02</td>
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<tr>
<td>Other: lessons, showing,</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>training, magazines, etc.</td>
<td></td>
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<tr>
<td><strong>Total Cash Expense</strong></td>
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<td></td>
<td></td>
<td>$4,097.50</td>
<td>$5,140.00</td>
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</table>

* Hay for 1100 pound horse at 1.5 pounds per cwt per day for 9 months (on pasture the other 3 months)
** Grain for 1100 pound horse at 0.05 pounds per cwt per day
*** 1=one head of horse, not one vet visit; $500 is for multiple visits
Updated estimates determined in collaboration with the Maine Equine Welfare Alliance.
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
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* - $8,500† 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


• 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


Questions???