

Horse Racing Symposium at Perretti Farms

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Good morning. Thank you Senator Beck, Assemblyman O'Scanlon, and Assemblywoman Caroline Casagrande for bringing us together today to talk "horses." I also want to thank Perretti Farms for hosting this educational opportunity. Perretti Farms rivals any horse breeding farm in the world with its commitment to quality and excellence. It is appropriate that we showcase the New Jersey equine industry here and in Monmouth County where there are more racing-related equine facilities than in any other county. Why am I here? To carry out the Equine Science Center's mission, which is, to ensure the well-being and quality of life of equine athletes, and to ensure the viability and vitality of the New Jersey horse industry. While the purpose of this summit is to address horse racing specifically, as director of your Equine Science Center I have the responsibility to share with you the often forgotten and complicated connection between racing and the non-racing segment of the horse industry which includes non-equine related traditional agriculture, as well.

We have a wonderful story to tell, one now based on facts and not speculation. The New Jersey equine industry benefits every resident in the state through its socio-economic influence, reflected in its positive annual economic impact and its role in the preservation of working agricultural landscape, which enhances the quality of life for all in the "Garden State." The industry includes various sectors such as horse racing, breeding, sport/recreation and pleasure interests. Infrastructure for the equine industry includes people working throughout the state in areas such as: retail, veterinary medicine, feed and supply, insurance, and real-estate, many of which are small family-owned businesses. You will hear from several of those people today.

Recognizing the need for new data regarding the horse industry to help "craft" our story, in July 2006 the Center undertook the challenge of conducting an economic impact assessment of the New Jersey equine industry. The purpose of the study was to assess, for the first time, the economic and land use impacts of horses to the state, begin regular benchmarking of the equine industry, profile all components of the state's

equine industry (including pleasure and sport/recreation), and to go beyond a simple enumeration of the industry. A related motivation was to provide insight into the number of dollars, jobs, and agricultural acres or rural open space that would be put at risk if the state's four racing venues were to disappear.

I would now like to share the highlights of the 2007 economic impact study with you. The New Jersey equine industry is valued at \$4 billion and generates \$1.1 billion (\$780 million due to racing) annually in positive impact on the state economy. It is responsible for 13,000 jobs, more than half of which are generated by racing-related interests such as racetracks and horse breeding and training facilities. Racing related wages total \$126 million with an additional \$35 million in wages paid by the non-racing sector. The New Jersey equine industry pays an estimated \$160 million annually in federal, state, and local taxes (\$85 million generated by equine operations and owners and \$75 million generated by New Jersey racetracks).

Equine animals total 42,500 horses; of this total, 12,500 (nearly 30%) are in racing-related activities. These include 8,200 standardbreds and 4,300 thoroughbreds that are either actively racing or are racing breeding stock.

Now let's talk about the land which has significant value to all in the most densely populated state in the nation. A total of 176,000 acres support 7200 equine facilities in New Jersey (700 racing-related) with 46,000 additional acres producing hay and forage on non-equine-related operations. Equine-related acres represent more than one-fifth of the state's 790,000 acres remaining in agriculture. Add this to the non-equine related acres in production to grow food for New Jersey horses and one finds that almost 30% of the agricultural acres left in the Garden State are in existence because of horses.

Last year a separate Center analysis of preserved farmland in the state showed that only a small portion of acreage is actually in equine-related activity. The analysis determined that only eight percent of the acreage in the Farmland Preservation Program is used for horse-related activities.

On July 28 of this year, a collaborative study released by Rowan and Rutgers Universities estimated that the state had less than a million acres of open space left and could be totally built up by 2050. The report also stated that between 1986 and 2007, one-quarter of the state's farmland was lost to

development. The preservation of working agriculture landscape is absolutely necessary to New Jersey's quality of life if indeed our intent is not to "build out" the state. This reinforces the argument that the state stands to lose this farmland to development (up to 56,000 acres) if racing is no longer viable.

Racing is not the only equine discipline that will lose if New Jersey racing diminishes. Sport competition and recreational horse owners stand to suffer as will traditional agricultural interests such as grain, hay, and straw farmers who continue to survive and maintain open space because their major customers are horse owners. Many horse racing advocates argue that the most important impact of diminished racing would be the collapse of critical mass in specialized support industries like facility construction, advanced veterinary care, or feed and supply stores. Troubles among equine-specific suppliers could increase costs or reduce availability of inputs to the sport horse/competition segment of the industry – even though most individual equine owners do not engage in direct transactions with racetracks or racehorse breeders. The ultimate result could be a vicious cycle of equine industry decline.

The Garden State stands to lose the greatest portion of its premier agribusiness if racing-related training and breeding farms leave New Jersey. The fact remains that horse racing is the economic driving engine of the entire horse industry in New Jersey and is extremely valuable to the quality of life in the form of agricultural working landscape that benefits all residents of New Jersey. If racing interests no longer find farming in New Jersey a viable option, they will seek alternative locations, taking with them their financial contributions and leaving in their wake joblessness and a scenic vista of preserved but unproductive land; a fiscal burden to the community that helped to preserve it.

Without a long-term vision for the sustainability of horse racing in New Jersey, owners, trainers, and breeders who currently are invested in its infrastructure will leave en masse for other locations.

I urge the legislature to work with racing industry representatives, to identify and implement in the short and long term source(s) of revenue needed to ensure the future of racing in the Garden State. Irrespective of revenue sources, the racing industry needs to invest a portion of dollars in things besides purses to ensure continued viability. These include: marketing of

live racing and creation of the racing brand, building the remaining Off Track Wagering facilities that were legalized in 2001, creating innovative wagers, reducing costs of regulating racing, investing in capital improvements of aging infrastructure, and maintaining the integrity of racing, including research to benefit the equine athlete. I offer the assistance of the Equine Science Center which has the ability to bring together faculty and staff from our state university as these deliberations move forward.

Thank you for your time and attention.