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Oklahoma Horse Industry Trends

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One problem of attempting to characterize the Oklahoma equine industry is that there is no centralized group or reporting agency that compiles data on the industry. Everyone involved with horses can tell you that it is a large and diverse industry, but how large and how diverse is in question. An inherent characteristic of the horse industry is that it is highly sectionalized and specialized into different breed and use areas. There are over thirty state or regional level horse affiliations in the state, and hundreds of community level clubs. Attempts at unification, such as a state horse council, has had limited success. As such, it is difficult to accurately characterize the industry with any level of accuracy. Every attempt has been made to document information in this report. Conservative estimates have been used when assumptions on horse numbers or economic impact have been made.

Industry Size

A 1987 study released from the American Horse Council suggested Oklahoma horse numbers to be in the range of 250,000 head[1]. Attempts by private marketing associations have suggested horse numbers are much larger[2]. The last count of horses was taken in 1971 when approximately 225,000 horses were vaccinated against sleeping sickness in Oklahoma. Data from fifteen of the major breed associations indicated that annual rates of new registrations increased an average of six percent from 1971 to 1984 and five percent from 1984 to 1986. By extrapolating this increase to the number of horses in 1971, and assuming an annual death loss of one percent, estimated number of horses in Oklahoma in 1986 was over 450,000 head. All of the above information suggests that the current Oklahoma horse herd is over 400,000 head.

Uniformly, different surveys estimate that Oklahoma ranks third in total numbers of horses per state, with California and Texas ranking first and second. By comparison, Oklahoma is a leading state in terms of horse numbers per land area or horse numbers per capita. If a figure of 400,000 head is used, estimates are about six horses per square mile, or one horse for every eight Oklahomans[3]. It is estimated from Cooperative Extension surveys that the "average" owner has eight head of horses. As such, approximately 56,000 Oklahomans, one out of every 60 people in the state, own horses. The eight head per owner estimate is larger than estimated on a national level. Survey results in Oklahoma suggest two large groups of owners, those with three to five head of horses and those with over 20 head.

Predominant breeds in Oklahoma are the Quarter Horse, various stock color breeds and more recently, the Thoroughbred. The American Horse Council estimates for 1986 suggest that Quarter Horses are 55 percent of the total Oklahoma equine population, Thoroughbred nine percent and non-purebred 12 percent. Appaloosa and Paint horses account for 11 percent with the remainder 13 percent of horses being other purebred breeds. Indications suggest that the Thoroughbred population is one of the most rapidly growing segments of the industry, and future estimates will reveal that Thoroughbreds will make up significantly larger portions of the total horse population.

Economic Impact and Characterization of Horse Production to Oklahoma

A report by OSU economists estimated that a total of $162 million of agriculture goods was consumed by the 1984 Oklahoma horse herd[4]. The same study estimated that feed companies derived $19 million in annual direct income from feed sales for horses. When combined with other areas such as income derived from breeding and training facilities, the estimated impact of the total horse industry on the 1984 Oklahoma economy was over $332 million in direct income.

The horse production industry is large, diverse and sectionalized. As such, there is a large range in owner costs and investments. Costs of broodmare maintenance on several Oklahoma farms were studied recently by OSU researchers[5]. Annual operating and fixed costs of maintaining a broodmare on a typical Oklahoma horse production farm were estimated to be about $3,500.00. The same study estimated that between $5,000 and $6,000 are necessary to cover the cost of producing a yearling. This value compares with the average sale price for yearlings at the fall sale of the Heritage Place Sales Facility in Oklahoma City of $8,600, $7,700, $5,200, $6,100 and $6,700 in 1984, 1985, 1986, 1987 and 1988, respectively.

The total economic impact of horse production farms to the Oklahoma economy can not be determined unless more detailed studies of industry demographics are conducted. Recently, the economic impact of production of horses enrolled in the Oklahoma Bred Program has been determined to be over 60 million dollars annually[6]. This figure does not include the associated impact of race training of the horse produced in the program, and horse enrollment in the program is only a small percentage of the total number of horses in the state.

It is safe to say that the total horse industry in the state accounts for hundreds of millions of dollars when considering land, facility and other capital investments. These figures do not include the additional impact of related Oklahoma industries which receive major economic revenue from horse owners such as feed manufacturers, trailer manufacturers, construction companies, farm equipment, western wear and tack.

Economic Characterization of Horse Activities

It is difficult to find a community in Oklahoma that does not receive economic benefit from numerous types of horse activities (horse shows, sales, racing, rodeo, etc.). The Oklahoma City Chamber of Commerce estimated that almost 21 million dollars were spent by exhibitors attending nine of the larger horse shows at the Oklahoma City Fairgrounds in 1988[7]. The eight day World Championship Quarter Horse Show alone accounted for seven million dollars spent in Oklahoma City. Similarly, estimates of dollars spent at Tulsa horse activities show millions of dollars of impact to the local business community. Exhibitors spent over 10 million dollars on seven of the larger horse activities held in 1988 at the Tulsa State Fair. This estimate does not include the impact of the International Finals Rodeo or numerous additional breed shows held in Tulsa each year.

The passing of pari-mutual racing in 1984 has allowed for an added economic benefit for Oklahoma. There were 2,786 official races run at the three Commission-sanctioned pari-mutual race meetings conducted in 1988[8]. Total attendance figures for the 243 days of racing at the three tracks attracted over 11 million people. It is safe to estimate that the attendants spent hundreds of millions of dollars on food, lodging and associated expenses while traveling to and attending the races. Over three million dollars were generated to the State General Revenue Fund from direct pari-mutual tax, not including an undetermined amount of sales tax.

Trends in Demographic Profile of the Industry

One of the main reasons for interest in the horse industry today is as a tool to improve the quality of human life. The horse is, and by all indication should continue to be, a model animal for people to use in leisure activities and use as a youth educational tool. The numerous breed and sport associations have large membership lists, and are continually attracting new members. Amateur and youth entries at horse shows are on the increase. The 4-H horse project remains one of the largest projects in the state's 4-H program. Oklahoma enrollment figures for 1988 reveal that nearly 5,000 youth were enrolled in horse projects as compared to less than 4,000 in swine projects or 3,500 in beef .

The 1980's have been a transition period for horse production. More horses were produced in the late 1970's and early 1980's than markets demanded which resulted generally in an over supply of horses across the nation. Many producers simply bred themselves out of a market. Recently, total horse supply is lessening. Production increases are different today than in the past. Most notable is the rise in the portion of the total market that race horses are obtaining.

Passing of pari-mutual has created a large increase in the number of people wanting to be involved with racing. A dramatic increase in the number of Thoroughbreds entering the state has occurred over the last several years. Many stallion farms have integrated Quarter Horses with Thoroughbreds, and many buyers are shifting their interest to Thoroughbreds. Still, Oklahoma should continue to be a leading state in Quarter Horse racing as indicated by a resurgence in Quarter Horse race yearling prices, and sanctioning of a significant number of race meets allowing for Quarter Horse racing.

Horse owners, city and state level public officials and private businesses routinely request information that characterizes the state's, or a particular locality's, equine industry. It is obvious that more specific information would be useful to promote and develop the industry, but much is not available. Efforts are needed to compile information on both a local and state level that would assist in the economic growth and development of one of the largest industries in the state.

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[1]From The Economic Impact of the U.S. Horse Industry, The American Horse Council, Washington D.C.

[2]Private study has been conducted by The United States Equine Marketing Association, Leesburg, Virginia.

[3]Ratio uses the 1985 State Chamber of Commerce population estimate of 3.3 million people in Oklahoma.

[4]In Oklahoma Equine Agriculture Symposium Proceedings, Noble Foundation, Ardmore, Oklahoma.

[5]Economic Analysis of Selected Horse Production Systems in Oklahoma, OAES Research Report P-905, Department of Agriculture Economics, Oklahoma State University.

[6]The Oklahoma Bred Segment of the Oklahoma Race Horse Industry, Report submitted to the Oklahoma Horse Racing Commission by Oklahoma State University Departments of Agricultural Economics and Animal Science.

[7]Formula used, Number of horses X 3.5 people/horse X number of show days X $125 spent/day.

[8]From Oklahoma Horse Racing Commission Annual Report, 1988.

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