



“First Time” Horse Ownership: Selecting Horses and Budgeting Horse Interests

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Potential horse owners should consider answers to several questions before purchase, including:

- What are your ownership goals, present and future?
- What horse type will best meet these goals?
- Where might you buy or sell a horse?
- How are you going to take care of the horse's daily needs?
- What type of supplies will you need?
- What are the expected costs of keeping a horse?

Like most situations, knowledgeable answers to questions about owning horses come from research and experience. The following discusses points to consider as an aid for selecting, housing and budgeting for horse ownership.

Selecting a Horse

Selecting a horse requires prospective owners to identify their intended horse use, to be able to evaluate horse value, and to be familiar with the different outlets for horse purchase. People own horses for a variety of hobby and business interests. Your reason for wanting a horse will be the initial guide in determining what type of horse will best meet your needs.

Factors Affecting Horse Value

For the most part, at least in the U.S., horses are not the primary means of transportation or an essential aid for work. These days, the vast majority of horses are owned simply because people want to own them, and horse owners most frequently identify recreational purposes for ownership. These purposes include youth development, pleasure riding, trail riding, competitive exhibitions and racing. The commercial economy of breeders, trainers and support organizations serve these recreational interests.



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Principles of supply and demand greatly affect horse value. As there is no U.S. terminal market for horses, prices for unwanted or unusable horses will be at or near zero. On the other end of the price scale, horses with superior genetics, advanced training, proven performance or desirable behavior are likely to be undersupplied, which dramatically raises the price. Similar to other commodities related to recreational interests, horse value is influenced by external market pressures such as disposable income, investment alternatives, opportunities of use, and trends in lifestyles. The comparative value of a horse is affected by a variety of factors, some readily quantifiable and others not. Factors affecting value include genetics, training, behavior, and conformation.

Genetics. A pedigree is a written record of the ancestors of an individual. The pedigree, along with performance records of the ancestors, indicates the potential to perform a specific task, i.e. desired movement and attitude in a particular show class. Genetics will have largest impact with traits that are consistently passed down from parent to offspring. For example, speed and 'cow ability' have long been identified as two moderately inheritable traits.

The genetics of the offspring result from the combination of genes from its dam and sire. Fifty percent of the genetic makeup is from the sire, fifty percent from the dam. The genetic makeup depends on which genes are passed down from the sire and dam, and how these genes align. As such, genetic variability may increase or decrease the potential for an offspring to perform an identified task at the same level of its dam or sire. Moreover, most of the horse performances that we deem desirable are influenced greatly by environmental factors, i.e. training and conditioning programs for race or show. As such, it is more difficult to develop predictions of performance solely on genetics in horses as compared with performance traits in other livestock that may have more controlled environmental effects, i.e. expected rate of gain in certain market animals.

Training and Behavior. Horses that have been trained and have evidence of performing a desired task will be more valuable than those who have not displayed the ability because of young age, or lack of training or ability. Evidence of ability to perform a desired task normally will override a perceived lack of genetics. The ability to consistently perform at high

levels improves worth because of the added evidence of the desired behavioral attitude and physical durability needed for longevity of use.

Evidence of desired behavior is a major contributor to value. Most horse owners do not complete highly skilled tasks on their horses. Rather, the primary interest is in obtaining a moderately trained horse that consistently responds desirably to its surroundings and humans. A consistent, willing, and accepting behavior leads to a safe horse for human contact. An acceptable level of safe interaction is required of all horses, especially for those interacting with people that have limited experience or ability.

Conformation. Conformation also impacts value. Conformational traits are aligned with athletic potential and soundness. Similar to other traits, conformational correctness alone will not guarantee performance. Rather, a lack of conformational correctness will more likely impede usability, hence the worth, of an individual.

A well conformed individual should lead to a higher potential for use. Given the same influence of other factors, a well conformed horse should be more athletic and be able to better stand the stress of use. Conformational assessment can be divided into balance, muscle and substance, structural correctness and movement, and breed and sex characteristics. Balance refers to the proportion the horse's body parts, the relative length, depth and width. Balance is based on bone size and joint angles. The appearance of balance is also influenced by overlying body tissue, i.e. muscle volume, length and depth. In general, the horse's shoulder, midsection and hip should be proportioned similarly. Additionally, the depth of body from the withers to floor of the chest should be as long as the length of leg from the floor of the chest to the ground. In order to appear balanced, a horse will require ample muscle, structural correctness and quality. As balance results from a combined effect of other criteria, it is considered the most important conformational assessment category.

Muscle tissue propels the body through contraction and relaxation of the various skeletal joints of the body. Large amounts of muscle are deposited on the shoulder, hip, and the upper portion of the legs. Long, deep muscle development on the shoulder and hip, and muscle appearing to tie low on the legs indicates a desired combination of balance and substance of body. Similarly, width through the chest and lower hip regions indicates substance and muscle volume. The desired degree of muscle volume in relation to the skeletal size will vary between breeds and horses suited for differing physical activity. For example, extremely large diameter of muscle volume would be expected for horses pulling heavy objects.

Structural correctness is identified mainly by the shape and angle of the leg bones. The front leg attachment should be near the center of the shoulder. The bones of the upper portion of the front leg are best positioned in line with the bones of the knee and lower leg. The ankle joint is angled to provide slope of the pastern bones and hoof. The bones of the hip are angled to one another so the back of the hock is more or less directly under the rear of the hip. The bones immediately beneath the hock are more or less perpendicular to the ground. Angle is expected from the fetlock through the hoof.

Correct bone alignment and shape aids in stride length, smoothness and balance of movement, cadence and athleticism. The foot path should be more or less straight under the body as viewed from the front or rear with no interference from one leg to another. Stride length of the front and rear legs should be similar. Misalignment promotes abnormal movement patterns. Misalignment or improper angles also encourage abnormal bone growth and/or tendon, ligament, and muscle failure. Unsoundness leads to an unusable horse.

Quality refers mainly to the size of the head and neck, the attachment of the head to the neck and attachment of the neck to the body. A relatively small head, with suitable width of forehead and a long, lean neck enhances maneuverability. For similar reasons, the head and neck attachment should appear trim and lean. The lower neck should attach highly on the shoulder, so half of the depth of shoulder appears to be below that attachment.

Specific conformational defects may or may not significantly affect usability of the horse. For example, small deviations in bone alignment may not cause unsoundness. Conformation is one part of the display of ability of the horse as behavior, intelligence, experiences, and acceptance of training may contribute as much or more to performance ability.

Genetics, training and conformation are not the only factors affecting horse value. Middle-aged horses with displayed abilities will be more valuable than elderly horses with similar traits due to expectations of longevity of use and the potential resale value. Young horses intended for some uses may be comparatively more valuable than older horses because of increased opportunities of use for younger horses (e.g. racing, show futurities). The availability of use or sport of interest will make suited horses more valuable, i.e. trail horses in areas with availability of trails. Breed popularity also enhances value, partially because of suitability to purpose of some breeds for certain uses, and because of marketing efforts of one breed as compared to another.

Markets for Purchase and Sale

Notices of horses for sale will appear in newspaper ads, magazines and other publications that horse owners and the general public read. There are numerous internet listings of horses for sale. Service businesses such as feed and tack stores may have postings of locally available horses. Breed and sport association activities provide venues for owners and buyers to congregate and interact. Assistance and advice usually comes from others engaged in a particular sport or use, professional trainers or service providers. As with any commodity, second opinions and buyer education greatly increases the chance of obtaining the best purchase.

There are basically two ways to purchase a horse: directly from a person (private treaty) or through an auction. Both have advantages and disadvantages. Auctions may allow for more accurate estimation of market value because of the number of onsite comparisons of price. Private treaty may allow for more prepurchase consultation from the seller and pre-purchase trials of use and exams. Either way, the more known about the past history and current health of a candidate will help to determine how well a horse is suitable for your purpose.

Researching availability of horses and expectation of price will be extremely worthwhile. Regardless of purchasing

method, conditions of sale and purchase, including all guarantees, implied or stated, should be clearly defined. Written receipts of purchase indicating condition of sale will help both buyer and seller.

Pre-Purchase Exams

It is routine for veterinarians to perform detailed pre-purchase exams for expensive horses. Pre-purchase exams will not guarantee future soundness or suitability to use, but will provide buyers a physical status of the horse at that point in time. In addition to general examinations indicating behavior, attitude and attentiveness, basic measurements of health status are performed (body temperature, respiration rate, etc.). Blood chemistry analyses, urinalysis, electrocardiograms and endoscopy diagnostics may be performed. Feet and leg structure may be examined via x-ray and ultrasound diagnostics. Movement patterns and joint flexibility will be graded. Other tests are likely, especially when horses are intended for specific use, i.e. reproductive status of stallion or mare.

The decision to conduct a pre-purchase exam will be driven by purchase price as much as any other factor. Pre-purchase examinations add to the purchase price of a horse. As such, the frequency of pre-purchase examinations and the amount of types of testing will be greater when purchases entail high-priced horses.

Housing Decisions

Horses are cared for under many different management styles. Some are housed in barns or stables on a full-time basis, whereas others are managed continuously in pastures. As a prospective owner, one of the first decisions to make is where to house the horse. Many owners have the ability to house and care for a horse where they live. Types of these facilities vary from suburban-type housing, with small acreages zoned for horse use, to large agricultural acreages. On-site housing has many advantages related to convenience of daily horse care and use. This is especially important for those owning horses as part of a youth development project.

Many new owners using off-site housing stable their horses at a commercial facility. Stables provide a variety of services which ease the daily chore of horse care. Also, stabling facilities have the advantage of increased interaction with other owners. Facilities at stables may allow for more horse use than is available with on-site housing, and many stables have organized horse activities for those boarding horses.

How and where the horse care is provided will have a large impact on the needs for equipment and facilities. This also will affect daily operation costs, such as feed, veterinary care, and farrier services.

Budgeting for the Expense of Horse Ownership

Prospective owners should acquaint themselves with the associated costs of horse ownership before buying, so they can maximize the net benefits sought from horse ownership. The types of costs will vary because of the diversity of horse uses and ways horses are managed. Also, some cost items will not be included in a budget because owners do not attribute the item specifically to the horse, i.e. cost of a vehicle or

cost of land because of interest in owning items, regardless of horse interest.

Among other factors, costs of ownership per horse will vary because of expected range of expenses for similar items and services, variation in items included in the budget, and number of horses. Owning more than one horse will usually lower the cost per horse because of the shared facility and equipment costs.

Expenses can be divided into operating inputs and ownership costs. Operating inputs involve day-to-day, mostly cash expenses. Specified operating input values are calculated by multiplying the price per unit by the quantity of input used.

Ownership costs result from owning machinery, equipment, and the horse. Ownership costs include cash expenses (e.g., insurance, taxes, and interest on borrowed capital) and allocated costs (e.g., depreciation and opportunity cost on capital). Opportunity costs also include the lost returns from alternative uses of money spent for horse ownership. Many owners do not consider opportunity costs in horse budgets, or account for cash expenses of insurance, taxes, or interest on borrowed capital. Budgets developed from surveys of Oklahoma horse owners in the 1990s suggested ownership costs increased the total cost of ownership above operating inputs by more than 30 percent. As such, ownership costs can be sizable and should be considered in budgets.

Operating Expenses

As indicated previously, the list of operating expenses will vary between owners. These are the day-to-day expenses incurred with ownership. Some owners will not identify some costs that others will, or they consider the expense to be apportioned to horse ownership. Some of the more identifiable operating expenses are provided below.

Feed Costs. A horse can be expected to consume between two and three percent of its body weight per day in feed, which is 20 to 30 pounds for a 1,000 pound horse. Feed costs are easiest to estimate when feeding purchased grain and hay. For example, consider the daily feed cost of a particular feed allotment of 5 pounds of grain and 25 pounds of hay with delivered costs of \$30.00 per 100 pounds of grain, and \$10.00 per 50 pound bale of hay. Daily feed costs would be estimated at \$6.50. Budgeting for feed costs using pasture, although more complicated and variable, is obtainable with a pasture plan that identifies expected input costs and forage production.

Farrier. Farrier costs can be assumed to include trimming and shoeing on a scheduled basis. Routine schedules may be as frequent as every four to six weeks. Farrier practices may substitute shoeing the horse with re-setting the shoes, which reduces the cost because new horse shoes are not used. Periodic trimming is less costly than shoeing, and the need for shoeing verses trimming will depend on the type and location of activity and owner preference. Costs vary greatly between farriers, types of services needed, and frequency of schedule.

Veterinary Medicine. Veterinary medicine includes health care practices administered by the owner. Practices may include two or more owner administered dewormings per year and medicines used for minor wound treatment.

Veterinary Services. Veterinary services are non-injury health care administered by a veterinarian. The health plan likely will include dewormings administered by a veterinarian; vaccinations against infectious diseases, and provision of health certificates and EIA testing forms for travel. Surveys of owners suggest large differences of these costs because of variations in types, schedules, and costs of services.

Utilities. These are related utilities, including water, heating, and electricity of dedicated buildings for horse use.

Tack and Miscellaneous Supplies. Average value for tack and miscellaneous supplies, such as magazines, special clothing purchases, and expendables will vary greatly between owners.

Bedding. Stall bedding costs vary with different bedding sources and quantities used. Most commonly used types of bedding are wood shavings or straw. Stall cleaning routines, amount of time horses are confined in the bedding area and drainage characteristics of the flooring will affect the amount of bedding needed.

Entry Fees, Travel Expenses, Horse Training, Rider Training, and Labor. These costs are very specific to individual owners as frequency of use and type of involvement ranges tremendously between owners.

Annual Operating Capital. Although not generally considered by many owners, annual operating capital is an operating expense. Annual operating capital investment results from meeting operating input expenses throughout the year. An annual interest rate is applied to the estimated average amount of operating funds tied up during one full year.

Machinery and Equipment Fuel, Maintenance, and Repairs. Fuel, scheduled maintenance, and repairs for machinery and equipment will result from use of vehicles, trailers, barns, fencing, feeding equipment, small tools, and tack.

Summary and Conclusions

Most people own horses for hobby interests related to family and youth development, enhancement of the quality of life, or entertainment. Budgeting may not be included in these interests. Nonetheless, several practices are essential for maximizing the length and level of enjoyment of horse ownership:

- Before buying a horse, research the horse market and the types of horse uses with which you may want to become involved.
- Budget the cost of housing and care before buying a horse.
- Maintain accurate records of costs and make adjustments to maximize the amount of pleasure received from money spent for horse ownership. There are several low cost computer based software packages that can be used to account for income and operating expenses.
- The cost of horse ownership can be regulated by understanding the needs of the horse, and selecting products that most efficiently meet those needs.
- Cooperative Extension Service publications and programs, veterinarians, other horse owners, and local libraries are good sources for information about the proper use and care of horses.

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