

Equestrian/Livestock Industry Profile & Trends

This section will profile the equestrian/livestock event industry and discuss industry trends.

The equestrian and livestock event industries generate well over \$100 billion dollars in spending within the United States economy annually. This study will focus primarily on the equestrian and livestock events surrounding the agriculture and trade show industry. Performance horse events include breed shows, cutting horse, reining horse, hunter jumper, English disciplines and others.

Performance horse events are hosted at facilities ranging from small outdoor arenas to fairgrounds, and more. While arena size and needs vary, in order to attract mid-to-large events, facilities must offer:

- 1+ show arenas (indoor, covered, and/or climate-controlled),
- Livestock/Equine Stalls,
- Cattle areas,
- Warm-up and practice areas,
- RV parking and hook-ups,
- Livestock trailer parking





Livestock Industry

Livestock Industry Associations

The table below demonstrates just a portion of national livestock and cattle associations across the United States. Texas is home to four national associations as well as affiliates.

Across three organizations in Bryan and San Antonio, there are 6,200 members.

Livestock and Cattle Associations			
Association	Location	Association	Location
United Braford Breeders	Foreman, AR	American Shorthorn Association	Kansas City, MO
North American Limousin Foundation	Aurora, CO	American International Charolais Association	Kansas City, MO
American Gelbvieh Association	Broomfield, CO	Senepol Cattle Breeders Association	Kansas City, MO
National Livestock Producers Association	Colorado Springs, CO	American Black Hereford Association	Platte City, MO
Red Angus Association of America	Commerce City, CO	American Angus Association	St. Joseph, MO
American Highland Cattle Association	Denver, CO	American Simmental Association	Bozeman, MT
National Cattlemen's Beef Association	Washington, D.C.	American Brahman Breeders Association	Bryan, TX
American Wagyu Association	Post Falls, ID	Beefmaster Breeders United	Bryan, TX
United States Cattlemen's Association	Wichita, KS	Santa Gertrudis Breeders International	Kingsville, TX
American Hereford Association	Kansas City, MO	International Brangus Breeders Association	San Antonio, TX

Source: Hunden Partners

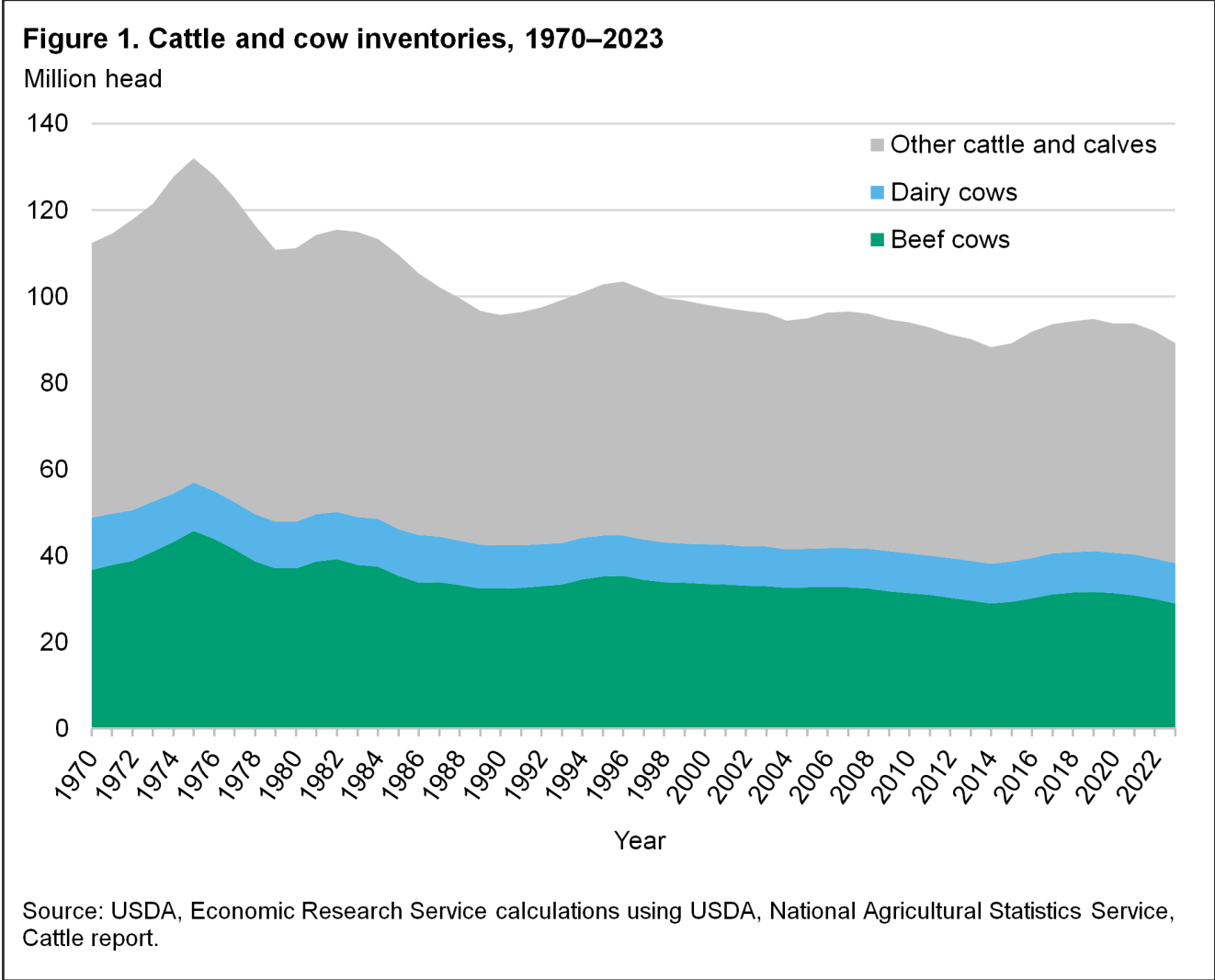
National Livestock Industry Statistics

The chart to the right portrays the cattle and cow inventories since 1970. As an entity of the USDA, the National Agricultural Statistics Service (NASS) provides information on cattle inventory in its semi-annual cattle reports.

As of January 1, 2023, the herd has decreased by 6 percent to 89.3 million head. Since 1952, the all-time low of cattle head in the United States was 88.2 million in 2014 as there were numerous complications with breeding in the livestock industry.

Of the 89.3 million cattle head in January 2023, 43 percent of the total inventory consisted of dairy and beef cattle.

Texas accounts for approximately 14 percent of the U.S. cattle population and is the top state producer of beef in the country.



Texas Livestock Industry Statistics

The state of Texas has the largest inventory of cattle and calves of any state in the United States. Nebraska has the second largest population of head, with around half of Texas' inventory. In addition to Texas' large inventory, The Lone Star State is number one in beef cattle production in the United States. Texas is home to 248,800 farms and ranches totaling 130.2 million acres.

In 2022, the population of all cattle and calves in Texas made up almost 14 percent of the nation's inventory. However, calf and cattle populations in Texas and in the United State have decreased from 2021 to 2022.

Cattle and Calves Inventory of Top Five States (000's)

Rank	State	2021	2022	% of previous Year
1	Texas	13,100	12,700	97
2	Nebraska	6,850	6,800	99
3	Kansas	6,550	6,500	99
4	Oklahoma	5,300	5,200	98
5	California	5,150	5,200	101

Source: USDA, Economic Research Service calculations using USDA, National Agricultural Statistics Service, Cattle report.

**Cattle and Calves: Inventory by Class and Calf Crop, (000's)
Texas and United States, January 1, 2021-2022**

Class	Texas			United States		
	2021	2022	% of previous Year	2021	2022	% of previous Year
All Cattle and Calves	13,100	12,700	97	93,790	91,902	98
Cows and Heifers That Have Calved	5,250	5,100	97	40,286	39,500	98
Heifers 500 Pounds and Over	2,740	2,590	95	20,200	19,776	98
Steers 500 Pounds and Over	2,620	2,630	100	16,788	16,580	99
Bulls 500 Pounds and Over	360	330	92	2,211	2,110	95
Calves Under 500 Points	2,130	2,050	96	14,305	13,936	97
Cattle on Feed	2,890	2,930	101	14,667	14,693	100
Calf Crop	4,800	4,600	96	35,496	35,085	99

Source: USDA, Economic Research Service calculations using USDA, National Agricultural Statistics Service, Cattle report.



Equestrian Industry

Equestrian Industry Associations

The table below provides a portion of national equestrian and rodeo associations across the United States. Texas is home to seven national associations as well as affiliates.

Equine and Rodeo Associations			
Association	Location	Association	Location
American Buckskin Registry Association	Redding, CA	United States Dressage Federation	Lexington, KY
Arabian Horse Association	Aurora, CO	American Ranch Horse Association	Nancy, KY
Professional Rodeo Cowboys Association	Colorado Springs, CO	Palomino Horse Association	Nelson, MO
Women's Professional Rodeo Association	Colorado Springs, CO	World Conformation Horse Association	Guthrie, OK
Professional Assoc of Therapeutic Horsemanship Inter.	Denver, CO	National Reining Horse Association	Oklahoma City, OK
Professional Bull Riders	Pueblo, CO	Palomino Horse Breeders of America	Tulsa, OK
Appaloosa Pleasure Horse Association	McDavid, FL	Barrel Futurities of America	Vian, OK
National Barrel Horse Association	Augusta, GA	National Foundation Quarter Horse Association	Joseph, OR
National Collegiate Equestrian Association	Athens, GA	Ranch Horse Association of America	Abilene, TX
Appaloosa Horse Club	Moscow, ID	American Miniature Horse Association	Alvarado, TX
National Snaffle Bit Association	Gumee, IL	American Quarter Horse Association	Amarillo, TX
American Association of Equine Practitioners	Lexington, KY	American Paint Horse Association	Fort Worth, TX
American Farriers Association	Lexington, KY	National Cutting Horse Association	Fort Worth, TX
Certified Horsemanship Association	Lexington, KY	American Indian Horse Association	Lockhart, TX
Paso Fino Horse Association	Lexington, KY	National Reined Cowhorse Association	Pilot Point, TX
Rocky Mountain Horse Association	Lexington, KY	Cowboy Mounted Shooting Association	Columbia, TN

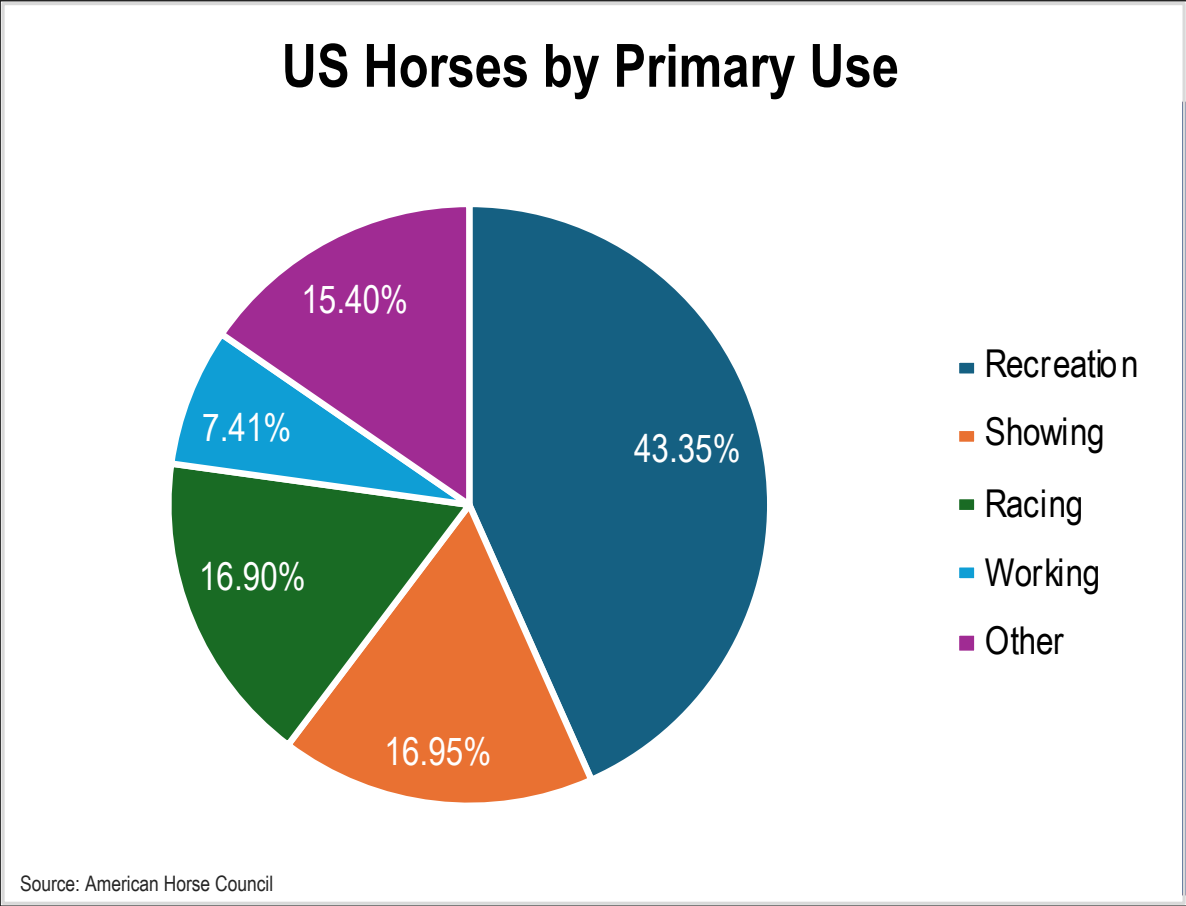
Source: Hunden Partners

National Equine Industry Statistics

According to the American Horse Council Foundation's 2017 Economic Impact Study, the equine industry generates \$122 billion in total economic value. The sectors are broken down below:

- Working Horse - \$1.9 billion in direct value and 42,000 direct jobs
- Recreation - \$7.5 billion in direct value and 162,000 direct jobs
- Racing - \$15.6 billion in direct value and 241,000 direct jobs
- Competition - \$11.8 billion in direct value and 241,000 direct jobs

The chart to the right highlights the breakdown of primary uses for horses in the United States and categories include Recreation, Showing, Racing, Working and Other.



National Equine Industry Survey

According to the 2021 American Horse Publications (AHP) Equine Industry Survey:

- Participants expected to compete in an average of 4.3 events each year, which was less than the five competitions reported in the 2018 study.
- The average respondent owned or managed six horses. Three-quarters of the respondents indicated that the number of horses they currently owned/managed was the same as in 2020, and 10.4 percent owned/managed more horses than they did in 2020.
 - When asked about future expectations of ownership, 73 percent expected to own/manage the same number of horses in 2022,
 - 17.3 percent expected to own/manage more horses, and
 - 9.7 percent expected to own/manage fewer horses. Compared to the 2018 survey, there was an increase in expected stability regarding the number of horses owned/managed.
- The study showed growth in the youngest demographic of horse owners compared to the older groups of horse owners. This younger demographic was also more likely to own more horses at one time versus the older demographic.
- More than 85 percent of respondents had experienced an increase in horse keeping costs.
 - Feed and veterinary services were the most frequently identified areas of increases in horse keeping costs.

Texas Equine Industry Statistics

The chart to the right highlights the breakdown of uses for horses in Texas and categories include Recreation, Breeding, Racing, Showing, Ranching, Rodeo and Other per the AHCF 2017 study.

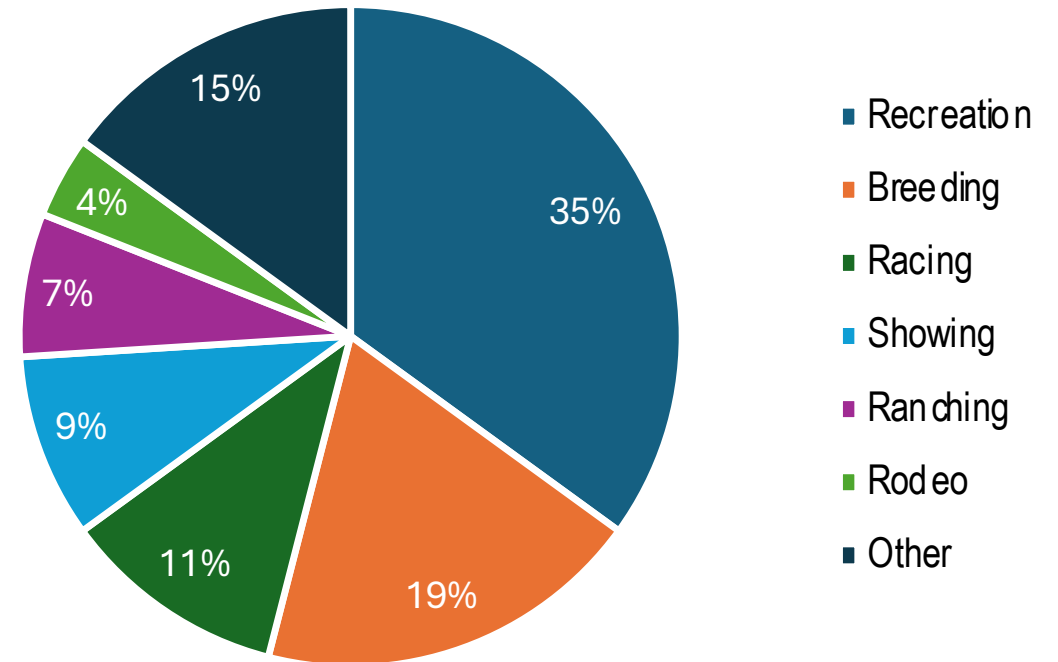
The majority of horses in the state of Texas are used for recreational purposes, which includes leisure and pleasure activities rather than for work or competition. Nine percent of all horses in Texas are used for show and four percent are used for rodeo purposes.

The survey found that the industry appears to be fairly stable based on the number of horses owned/managed and number of competitions in which individuals participate.

Texas experienced a 14.2 percent decline overall since 2005, but still has the highest horse population of any state in the country.

Discussions with industry experts show that the decrease in population was primarily related to breeding and the increase in horse keeping costs.

Texas Horses by Primary Use



Source: American Horse Council



Facility Development

Equine/Livestock Facility Development Trends

While equestrian and livestock facilities vary greatly, some key trends are evident:

- All buildings should be connected and covered from stall barns to a main arena. It is important to mitigate weather issues and to keep animal welfare as the top priority. Facilities want to harvest a safe and stress-free environment for the animals and owners where there is no drastic changes in conditions.
- Based on stakeholder interviews in the market there is a desire for at least one main arena, one covered warm-up arena and additional uncovered arenas, when possible. The market also desires a warm-up arena that is adjacent to the main arena with stall barns beyond a warm-up arena and practice arenas.
 - Groups will often use warm-up arenas for smaller “main” events during major events or for smaller budget-conscious association events.
- Naming-rights sponsors can help facilities reach breakeven or achieve profitability. In Belton, the Cadence Bank Center received \$2.8 million in naming-rights and sponsorship for the period 2023 through 2032.
- Space for and the comfort of cattle is vital when creating a new facility. Additionally, a clean concrete floor allows the cattle to not have the chance to get dirty before display and auction events.
- Custom enclosed arenas add at least \$5 million beyond development costs of pre-engineered version. Air Conditioning in the large rodeo arenas have to be tailored to the dimensions of the facility.
- Stall buildings can double as exhibition space or may accommodate portable arenas, but development costs double to do so based on the cost of engineering for clear span.
- Long-term staffing costs for a large concrete facility tend to run high if the facility is not engineered for multi-use and flexible space. With the mass number of facilities, staffing costs are very high for maintain the cleanliness of the facility.

Interviews & Feedback

Local Stakeholders



Hunden interviewed numerous local stakeholders in the Washington County community to better understand the supply and demand for an expansion, renovation, or relocation within the market. The following key implications were drawn:

- An enclosed and air-conditioned facility would provide more opportunity to increase regional event draw, however these facilities become costly and require proper maintenance.
- In order to bring in larger events and more revenue for the facility, there must be an increase in the number of cattle stalls to accommodate shows like the National Brahman Show (ABBA). This show and other Texas regional livestock shows require a minimum of 800 to 1,200 stalls.
- There must be further efforts to make the holding facilities nicer in terms of concrete flooring, mats in the stalls, and updating the materials of the pens as they are outdated. The pen barriers are old and have malfunctioned causing safety hazards with sharp edges and even with doors becoming unlatched easily.
- The largest complaint of the facility is the restrooms on site. Upgrades to the restrooms in terms of quality and quantity are strong updates to consider in order increase event draw.
- The Expo Center is considered expensive relative to the quality level offered onsite but is affordable relative to other facilities in the region. Many users indicated they would be willing to pay higher rates for higher quality facilities.
- The Sales Facility is one of the nicer aspects of the Washington County Expo, but it needs to be expanded along with the other facilities if there are upgrades in the quality and size of events that are attracted to a new Expo.