

COMMERCIAL BREEDING OPERATIONS

**New York Racing
2000**

Standardbred and Thoroughbred

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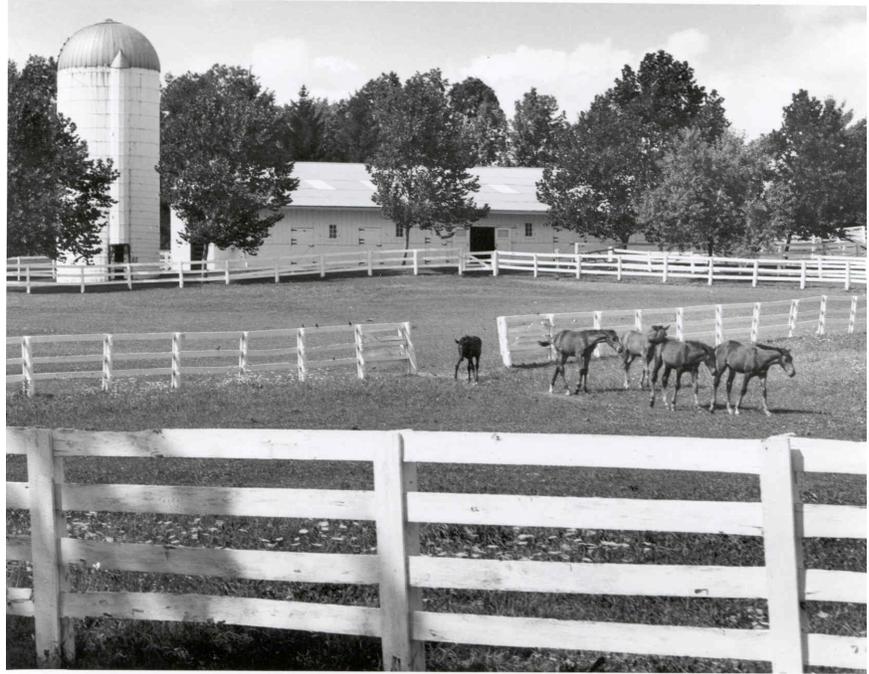
*Thoroughbred Breeding Industry
in New York, 2000*



Thoroughbred Breeding Industry in New York, 2000

INTRODUCTION

The 2000 Equine Survey indicated Thoroughbred horses totaled 30,500 accounting for 18 percent of the total equine population and 73 percent of the racing breed horses in New York. Of the total equine operations in the state, 4 percent indicated they were involved with Thoroughbred racing. A special tabulation was made of those operations that were involved with Thoroughbred racing and also indicated their primary type of operation was commercial breeding. The results of this tabulation follow.



OPERATIONS

Approximately 20 percent, or 5,960 horses, of the total Thoroughbred population were boarded at commercial breeding operations. The average number of all horses on Thoroughbred breeding operations was 23.7 head in 2000. Thoroughbreds account for 84 percent of the total population on these operations.

There were 300 operations, or 13 percent of the total commercial breeding operations that were involved with Thoroughbred racing. These operations used 27,500 acres for equine, or 3 percent of the total acres used by equine in the state. Thoroughbred breeding operations averaged 92 acres, compared with less than

31 acres for all equine operations.

There were 3,680 brood mares on these operations. These mares accounted for 62 percent of the total Thoroughbreds, while current year foals accounted for an additional 9 percent. About 9

percent, or 540, of the Thoroughbreds on commercial breeding farms were used primarily for racing. The remainder of the horses are stallions and previous year foals, as well as horses used primarily for competition (excluding racing), sport, and pleasure.

**Size Distribution of Thoroughbred Breeding Farms
by Number of Mares, New York, 2000**

Size by Number of Mares	Operations	Equine Acres	Total Equine	Thoroughbreds		
				Total	Breeding	
					Mares	Stallions
1- 5	160	6,100	1,280	1,060	430	10
6-10	60	3,500	790	720	380	35
11-24	35	5,700	1,220	1,080	600	30
25 +	45	12,200	3,830	3,100	2,270	110
Total	300	27,500	7,120	5,960	3,680	185

The size of a breeding operation was best described by the number of brood mares on the operation. The small operations (less than six brood mares) accounted for 53 percent of the operations but only 12 percent of the total mares. Small operations in 2000 accounted for 53 percent of the total, compared with 71 percent of the total in 1988. Large operations (25 or more mares) accounted for 15 percent of the operations in 2000, compared with only 7 percent in 1988. Large operations had 62 percent of the mares in 2000.

Stallions standing on breeding operations in 2000 totaled 185 head, or 26 percent less than the number in 1988. Only 30 percent of the breeding operations in New York had stallions. The average number of stallions per operation with stallions was 2.1, compared with 2.0 in 1988.

The majority of the operations dedicated to Thoroughbred breeding had been in operation less than 21 years. Operations in existence ten years or less accounted for 30 percent and operations in existence from 11 to 20 years accounted for an additional 45 percent. Only a fourth of the operations had been in existence 21 years or more.

Size Distribution of Thoroughbred Breeding Farms, New York, 1988 and 2000

Size by Number of Mares	Operations			
	Number		Percent	
	1988	2000	1988	2000
1-5	317	160	71	53
6-10	44	60	10	20
11-24	53	35	12	12
25+	31	45	7	15
Total	445	300		

Stallions Standing on Thoroughbred Breeding Farms, New York, 1988 and 2000

Year	Operations	Stallions	Average
1988	125	250	2.0
2000	90	185	2.1
Percent Change	72%	74%	105%

Number of Thoroughbred Breeding Operations by Age of Operation, New York, 2000

Years in Operation	Operations	Percent of Total
Ten years or less	90	30
11 to 20 years	135	45
21 or more years	75	25
Total	300	100



ASSETS

Assets of Thoroughbred breeding operations in the state totaled almost \$503 million on December 31, 2000. The value of real estate and equine combined accounted for 96 percent of the total assets. Real estate including land and buildings totaled \$312 million, or 62 percent of the total. The value of equine on these operations totaled \$172 million, or 34 percent. Vehicles, equipment, feed, and supplies accounted for the remaining 4 percent.

Assets of the Thoroughbred Breeding Industry, New York, 1987 and 2000

Year	Equines	Land and Buildings	Vehicles and Equipment	Feed and Supplies	Total
<u>Thousand Dollars</u>					
1987	160,260	119,678	18,420	3,549	301,907
2000	172,347	311,754	17,261	1,420	502,782
Percent Change	108%	260%	94%	40%	167%

EXPENDITURES

Capital Expenditures during 2000 on Thoroughbred breeding operations totaled \$15.9 million, or almost \$53,000 per operation. Purchases of equine accounted for 72 percent of the total at \$11.4 million. Real estate and improvements were

the next leading expenditure at \$2.5 million, or 16 percent of the total.

Thoroughbred breeding farms in New York spent \$61.1 million for operating expenses in 2000. The largest expenditure was for labor of \$12.2 million,

or 20 percent of the total. This was followed closely by breeding fees of \$11.7 million, or 19 percent of the total. The third leading expenditure was for boarding and training fees at \$7.2 million. Feed expenditures (hay, grain and mixed feed) totaled \$5.9 million, or 10 percent of the total.

Capital Expenses, Thoroughbred Breeding Operations, New York, 2000

Category	Total	Average per Operation	Average per Total Equine
	<u>Thousand Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
Purchases of Equine	11,400	38,000	1,600
Real Estate and Improvements	2,470	8,233	350
Equipment	2,000	6,667	280
Total	15,870	52,900	2,230

**Equine Related Operating Expenditures,
Thoroughbred Breeding Operations, New York, 2000**

Category	Total Expenditures	Average Per Total Equine	Percent of Total
	<u>Thousand Dollars</u>	<u>Dollars</u>	<u>Percent</u>
Boarding and Training Fees	7,190	1,010	12%
Hay	2,480	348	4%
Grain	2,100	295	3%
Mixed or Formula Feeds & Supplements	1,300	183	2%
Bedding	1,350	190	2%
Health	3,450	485	6%
Supplies	660	93	1%
Farrier	1,150	162	2%
Breeding Fees	11,660	1,638	19%
Labor	12,200	1,713	20%
Maintenance and Repairs	3,130	440	5%
Insurance	2,660	374	4%
Utilities	1,690	237	3%
Fuels	3,130	440	5%
Taxes	2,030	285	3%
Interest	820	115	1%
Rent and Lease Payments	950	133	2%
Fees and Payments	1,050	147	2%
Shipping and Travel	1,010	142	2%
Miscellaneous	1,090	153	2%
Total	61,100	8,581	



LABOR

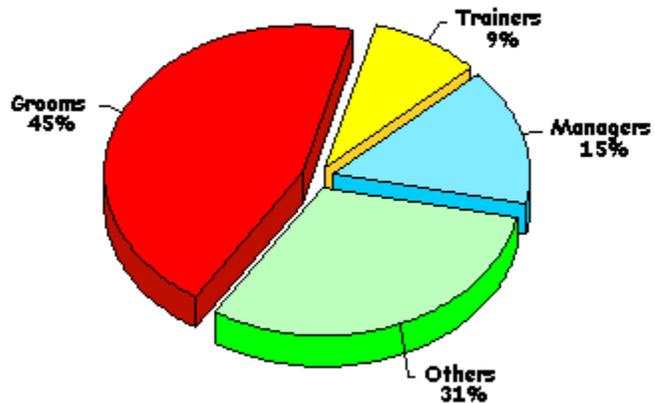
Thoroughbred breeding operations employed 620 persons during 2000. This included both full time and part time workers. Operations averaged 2.1 workers. Seventy two percent of the total was considered full time and 28 percent as part time. The majority of the workers were classified as grooms or general farm workers, while some had specific jobs as managers or trainers.

Employees received \$12.2 million in 2000, of which more than 85 percent was in cash. Some non-cash payments were made in kind including housing, horse boarding or other benefits. The average labor expenses per worker were \$19,680, including \$16,840 of cash expenses. However, this average includes both part time and full time employees. Of the 620 persons employed on Thoroughbred breeding operations, 31 percent receive housing as part of their compensation.

**Employment Data
Thoroughbred Breeding Operations,
New York, 2000**

	Number	Percent of Total
Total Workers	620	
Full Time		72
Part Time		28
Managers		15
Trainers		9
Grooms		45
Others		31
Workers Provided Housing		31
Cash Labor Expense	\$10,440,000	
Non Cash Value to Labor	\$1,760,000	
Total Labor Expense	\$12,200,000	

Type of Worker



*Standardbred Breeding Industry
in New York, 2000*



Standardbred Breeding Industry in New York, 2000

INTRODUCTION

Standardbred horses totaled 11,500, accounting for less than 7 percent of the equine population and 27 percent of the racing breeds in New York. Used in harness racing events at pari-mutual tracks, Standardbreds are classified as either pacers (with a lateral gait) or trotters (with a diagonal gait). A special tabulation was made of those operations that were involved with Standardbred racing and also indicated their primary type of operation was commercial breeding. The results of this tabulation follow.

OPERATIONS

Approximately 43 percent, or 5,000 horses, of the total Standardbred population were boarded at commercial breeding operations. The average number of horses on Standardbred breeding operations was up from 17.2 head in 1988 to 26.7 head in 2000. Standardbreds accounted for 94 percent of the total population on these operations.

There were 2,300 brood mares on these operations. These mares accounted for 46 percent of the total Standardbreds while current year foals accounted for an additional 19 percent. Nearly 11 percent of the standard-breds on commercial breeding farms were used primarily for

racing. The remaining horses were stallions and previous year foals as well as horses used primarily for competition (excluding racing), sport, and pleasure.

There were 200 operations, or 9 percent of the total commercial breeding operations were involved with Standardbred racing. This was a decline of 26 percent from the 1988 survey. These operations used 14,000 acres for equine or less than 2 per-

cent of the total acres used by equine in the state. Standardbred breeding operations averaged 70 acres compared with less than 31 acres for all equine operations.

Almost half of the operations, dedicated to Standardbred breeding, have been in operation 11 to 20 years. New and old operations split the difference with 28 percent in operation 10 years or less and 26 percent 21 or more years.

**Size Distribution of Standardbred Breeding Farms
by Number of Mares, New York, 2000**

Size by Number of Mares	Breeding Operations	Equine Acres	All Equine	Standardbred		
				All	Breeding	
					Mares	Stallions
1-5	115	3,600	900	870	330	60
6-10	40	3,700	790	700	340	20
11-24	25	2,700	940	930	380	45
25+	20	4,000	2,700	2,500	1,250	65
Total	200	14,000	5,330	5,000	2,300	190

**Number of Standardbred Breeding Operations,
by Age of Operation, New York, 1988 and 2000**

Years in Operation	Operations		Percent	
	1988	2000	1988	2000
Ten years or less	195	56	72	28
11 to 20 years	15	92	6	46
21 or more years	60	52	22	26
Total	270	200	100	100

ASSETS

The assets of Standardbred breeding operations in the state totaled almost \$147 million. The value of real estate and equine combined accounted for 89 percent of the total. The value of all land and buildings used for equine on the breeding operations was

\$65.9 million, or 45 percent of the total. The value of equine on breeding operations totaled \$65.4 million, or 44 percent of the total. Vehicles, equipment, feed and supplies accounted for the remaining 11 percent.

Total investment in fixed assets (land, fences, building,

vehicles and equipment) on commercial breeding operations totaled \$80.9 million, for an average investment of \$404,500 per farm. Each horse required more than \$15,180 in fixed assets. Non fixed assets (feed and supplies) averaged \$130 per horse or almost \$3,500 per operation.

Assets of the Standardbred Breeding Industry, New York, 1988 and 2000

Year	Equine	Land & Buildings	Vehicles and Equipment	Feed & Supplies	Total
	<u>Thousand Dollars</u>				
1988	48,350	62,590	11,370	690	123,000
2000	65,350	65,860	15,045	695	146,950
Percent Change	135%	105%	132%	101%	119%



Photo by Jerry Waskiewicz

EXPENDITURES

Capital expenditures for Standardbred breeding operations totaled \$6.08 million in 2000. The purchase of equine was the largest portion of the total with \$2.53 million spent in 2000, or almost 42 percent of the total. Equine purchases averaged \$12,700 per operation. Equipment purchases were second with 37 percent of the total, and averaged \$11,100 per operation for the year. The remaining was for real estate and improvements that averaged \$6,500 per operation.

Operating expenditures totaled \$24.8 million in 2000, or \$124,000 per operation. Cost of labor was the leading expenditure, costing \$8.28 million, or 33 percent of the total. Feed ranked second costing \$3.26 million, followed by boarding and training fees, \$2.61 million and health cost of \$2.09 million.

Capital Expenses Standardbred Breeding Operations, New York, 2000

Category	Total	Average per Equine	Average per Operation
	<u>Thousand</u>	<u>Dollars</u>	<u>Dollars</u>
Equine	2,532	475	12,660
Real Estate and Improvements	1,318	247	6,590
Equipment	2,225	418	11,125
Total	6,075	1,140	30,375

Equine Related Operating Expenditures, Standardbred Breeding Operations, New York, 2000

Category	Total Expenditures	Average per Total Equine
	<u>Thousand Dollars</u>	<u>Dollars</u>
Boarding & Training Fees	2,610	490
Feed	3,260	612
Bedding	550	103
Health	2,090	392
Breeding Fees	1,920	360
Labor	8,280	1,553
Maintenance/Repairs	1,150	216
Insurance	720	135
Interest and Taxes	1,190	223
Other Operating Expense	3,020	567
Total Operating Expense	24,790	4,651

LABOR

The Standardbred breeding operations employed 560 persons during 2000. This includes both full time and part time workers. This averaged 2.8 workers per operation compared with only 1.5 workers in 1988. Fifty six percent of the total was considered full time with 44 percent as part time. The majority of the workers were classified as grooms or general farm workers, and fewer had specific jobs as managers or trainers.

Employees received \$8.28 million in 2000 of which almost 86 percent were in cash. This compares with \$4.53 million and more than 90 percent respectively for 1988. Some non cash payments were made in kind including housing, horse boarding or other benefits. The average labor expenses per worker was \$14,800 including \$12,700 of cash expenses. The averages in 1988 were \$11,180 and \$10,000, respectively. However, this average includes both part time and full time employees. Labor expenses for full time employees would average much higher.

Standardbred Breeding Operations, Employment Data, New York, 2000

	Number	Percent of Total
Total Workers	560	
Full Time		56
Part Time		44
Managers		12
Trainers		16
Grooms		41
Others		31
Workers Provided Housing		28
Cash Labor Expense	\$7,105,000	
Non Cash Value to Labor	\$1,175,000	
Total Labor Expense	\$8,280,000	



Survey Methodology



A special tabulation of the data collected in conjunction with the 2000 Equine Surveys was made for operations that indicated they considered themselves a commercial breeding operation and were also involved with Standardbred or Thoroughbred racing. These questions were asked on the initial contact with Version 1 questionnaires in the fall of 2000.

The first criterion was operations that selected they were involved in either Thoroughbred or Standardbred racing or both.

Respondents then had to select what they considered the most important activity of five choices. The choices were (1) Commercial boarding, training, riding, lessons, show, racing, livery; (2) Commercial breeding; (3) Farm; (4) A place to keep horses, ponies, or other equine for personal use; (5) Other. Only respondents that picked commercial breeding were included in the tabulation. Since they could only pick one, breeding operations that felt they were more important as a boarding, training, racing or a farm were not included in this tabulation.

Most of the data were collected from the Version 2 questionnaire that was sent to a sub sample of the Version 1 respondents. This follow up economic survey was conducted in January and February 2001. The follow up sample was stratified and selected on size. We assumed an adequate coverage of the breeding population. The data was also expanded with the assumption that the non respondents were similar to the non respondents on the major categories. The data were close to 100 percent complete, with only minor adjustments for incompleteness of a few minor items.



Photo by Jerry Waskiewicz



PHOTOGRAPHY

Photographs featured throughout this publication are courtesy of the following:

Dutchess Views Farm, Pine Plains, New York
Saratoga Equine Sports Center, Saratoga, New York
Jerry Waskiewicz, Photographer