

REPORT OF THE
SUBCOMMITTEE STUDYING THE ESTABLISHMENT OF A
VIRGINIA HORSE
CENTER AND A HORSE BREEDER INCENTIVE PROGRAM
TO
THE GOVERNOR
AND
THE GENERAL ASSEMBLY OF VIRGINIA



HOUSE DOCUMENT NO. 18

COMMONWEALTH OF VIRGINIA
RICHMOND
1981

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**Report of the
Subcommittee Studying the Establishment of a Virginia**

Horse Center and A Horse Breeder Incentive Program

To: Honorable John N. Dalton, Governor of Virginia
and
The General Assembly of Virginia

Conclusions

Horses have long been part of the Virginia tradition and image. The horse industry and equine-related activities are an important and significant part of the state's economy as well. But the industry has been stagnant in recent years and the state's position in relation to other states has declined.

The state lacks adequate facilities for major shows and other equine activities. Some states have constructed special centers for horse events and many have started breeder incentive programs which have been a major boost to their horse sectors. These efforts have attracted breeders away from Virginia.

Recommendations

1. The state should institute a breeder incentive program for all breeder groups.
2. This subcommittee should continue in existence so it can study thoroughly the need for, and the feasibility of, a Virginia horse center.

Background

The horse occupies a special place in the image and lifestyle of many Virginians. Some of the nation's greatest thoroughbreds and show horses were bred in Virginia and the state has some of the top breeding farms in the country. Virginia horses are known for their quality. The lush, rolling fields of the horse country are part of the state's heritage.

Horses are also good business for the state. According to the Department of Agriculture and Consumer Services, all segments of the horse industry contribute over \$171 million annually to the state's economy. The industry employs more than 20,000 people statewide and horse events attract in excess of 500,000 spectators each year. The total investment in animals, land, and facilities amounts to over half a billion dollars.

Any discussion about the size of the industry has to rely on guesswork, because there is no reliable data on the number of horses in the state. Horse industry sources estimate there are about 130,000 horses owned by 75,000 persons and about 7,500 breeding farms. However, preliminary figures of a census being conducted by Virginia Polytechnic Institute and State University indicate a horse population of about 90,000.

While these figures are impressive, the industry in Virginia is stagnant. In 1974 there were 1,063 thoroughbreds foaled in Virginia; in 1979, there were 1,067. There were some fluctuations, but during that period the foal production was about 1,100 annually. Professionals generally expect an annual increase of 5% in foal production and, indeed, national production went up 18% in the four-year period. Virginia has not held her own in relation to other states, falling from fifth in foal production in 1968 to seventh in 1977.

While the thoroughbred sector has at least been able to maintain its foal production level, the rest of the horse industry may not have done as well. The preliminary figures from VPI & SU indicate a decrease of about one-fifth in the number of horses since 1972. Clearly, the industry is

not healthy.

It was these concerns that led the General Assembly to see what it could do to help the horse industry. It established two study committees, which, upon meeting, merged into one subcommittee because of overlap of membership and subject. (House Joint Resolution No. 48 and Senate Joint Resolution No. 58, establishing the subcommittees, are in the appendix.)

Horse center

There are a great many breeder group associations in Virginia. They vary in size, but all sponsor annual shows, in addition to other events. The facilities in the state for such shows are not satisfactory. There are no indoor arenas or centers designed especially to accommodate horses and those that are used are inadequate. A permanent marketing pavilion does not exist. Perhaps the location most often used for statewide events is the Atlantic Rural Exposition Center (State Fairgrounds). The facilities are not first-rate and the management often schedules other events at the same time as horse events. These other events are usually automobile races which tend to upset high-strung show horses. Furthermore, the state lacks any facility with which it can attract a national or international event.

Several states have constructed, or are in the process of constructing, horse centers. The most famous is the Kentucky Horse Park in Lexington. In addition to a cross-country course, a training track and educational facilities, the park has a museum dedicated to the horse. The park is a major tourist attraction in Kentucky. Other centers are in operation or planned in New Jersey, Florida and North Carolina but not on quite so grand a scale. Typically, these facilities have an indoor arena, a covered arena, outdoor show rings, grand prix ring, permanent stabling, cross-country course, dressage rings, and a steeplechase track.

The economic justification for the construction of such facilities is the same as that for any type of convention center. As already noted, over a half million people attend horse shows in Virginia now. In addition to the money spent by spectators, participants must have food and lodging as well as supplies for the horses. The Roanoke area chamber of commerce estimates that the annual Greater Roanoke Valley Horse Show adds about \$1 million to the economy of the area, for example. A large facility able to accommodate major national and international events would enhance the state's already important tourist industry.

The subcommittee did not have the opportunity to completely explore the desirability and feasibility of a state-sponsored horse center. At least one private developer has taken significant steps to construct a horse center. The subcommittee believes such efforts should be encouraged as much as possible. However, it is not certain these plans can be realized or if they will truly meet the needs of horsemen. The progress of the private sector needs to be monitored and other options explored.

RECOMMENDATION

The subcommittee recommends that its study of a Virginia horse center be continued. The subcommittee would assess the extent to which a horse center would be used by state horsemen. If plans by the private sector fail or prove inadequate, the subcommittee would be able to explore other options, such as acquiring donated land and operating a center within its park system with a fee schedule.

Breeder incentive programs

At least twenty-two states offer incentives to horse owners who breed their horses in those states. The breeder of a horse who wins in certain designated events receives a money award from the program. Several states, especially New York, Illinois, and Florida, have established quite aggressive programs, which are generally credited with the recent increases in foal production in those states. Notably, at least two quality Virginia thoroughbred stallions have been moved in the past year to New York to stand, so their foals will be eligible for that state's breeder incentive

program.

The show segment of Virginia's horse industry already administers a type of breeder incentive program. For a breed's futurity, breeders nominate foals before or shortly after their birth and pay a nomination fee. Those fees are used to provide prize money in specified shows held later and open only to those nominated.

The subcommittee broached with horse industry representatives the possibility of the state providing matching money for a breeder incentive program. The industry response was enthusiastic and the members were impressed with the willingness of the industry to raise funds from its own sources for the match. An infusion of state money would do much to bolster present futurity programs and other incentive mechanisms. There would be added incentive to breed one's horses in Virginia and to participate in the qualifying events. For thoroughbreds, a state-sponsored breeder incentive program would provide a counterweight to competition from other states.

RECOMMENDATION

Virginia should establish a program of breeder incentives for Virginia-bred horses open to participation by all recognized breeder groups. The program would be administered by the Department of Agriculture and Consumer Services. The initial appropriation for the program should be \$100,000, but no money would be dispersed unless matched by the horse industry.

SUMMARY

The horse industry is important to Virginia and is now in some trouble. With these modest steps recommended by the subcommittee, Virginia can help it to regain its viability and achieve new success. The legislation embodying our recommendations is attached in the appendix and we urge the General Assembly to give them favorable consideration.

Respectfully submitted,

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APPENDIX

HOUSE JOINT RESOLUTION NO. 48

Agreed to by the House of Delegates, March 6, 1980

Agreed to by the Senate, March 3, 1980

WHEREAS, the horse industry of Virginia contributes over one hundred seventy million dollars each year to the economy of the Commonwealth, thus having substantial impact on overall agricultural production, employment, travel, tourism and recreation; and

WHEREAS, Virginia farms produce horses which consistently bring national and international recognition to the Commonwealth while offering recreational and business opportunities to our citizens; and

WHEREAS, it is both necessary and desirable to keep the Virginia horse industry in the forefront of an increasingly competitive market place; and

WHEREAS, a major marketing facility for horses and a horse show complex including an indoor arena capable of attracting national level competition does not exist in Virginia; and

WHEREAS, the need for such an equestrian center to encourage expansion and promotion of the State horse industry has been recognized by the Agricultural Opportunities Commission and the State Board of Agriculture and Consumer Services; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Agriculture Committee of the House and the Senate Committee on Agriculture, Conservation and Natural Resources are hereby requested to establish a joint subcommittee to study the feasibility of establishing a Virginia Horse Center.

The joint subcommittee shall consist of ten members, three of whom shall be members of the House Agriculture Committee appointed by the chairman thereof, and two of whom shall be members of the Senate Committee on Agriculture, Conservation and Natural Resources appointed by the chairman thereof. In addition to the legislative members four citizens of Virginia representing various facets of the horse industry shall be appointed by the Governor. The Commissioner of Agriculture and Consumer Services shall also serve as a member of the joint subcommittee.

Legislative members of the joint subcommittee shall receive such compensation as is authorized by law for members of the General Assembly. Citizens appointed to serve shall receive compensation in the same amount as any member of the General Assembly participating on such study is entitled to receive. All members will be reimbursed for their actual and necessary expenses incurred for work of the joint subcommittee.

All agencies and officials of the Commonwealth shall cooperate fully with the joint subcommittee.

SENATE JOINT RESOLUTION NO. 58

Agreed to by the Senate, February 13, 1980

Agreed to by the House of Delegates, February 29, 1980

WHEREAS, horse breeding in Virginia is a vital segment of the total industry of agriculture, creating employment opportunities and contributing greatly to the economy of the Commonwealth; and

WHEREAS, there are seven thousand five hundred breeding farms in Virginia, producing champions in many breeds annually, but their designation as Virginia breeds does not provide any direct economic benefit to the Commonwealth's breeders; and

WHEREAS, the pressure to send mares to foal in states with breeder incentive programs is great and only contributes to lowering the market appeal of Virginia breeds; and

WHEREAS, the lack of incentives, including breeder recognition awards, has kept in-State marketing opportunities below potential, thus ensuring a constant flow of our dollars to surrounding states; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Senate Committee on Agriculture, Conservation and Natural Resources and the Agriculture Committee of the House of Delegates are hereby requested to establish a joint subcommittee to study horse breeder incentive and recognition programs.

The joint subcommittee shall consist of eight members, one of whom shall be a member of the Senate Committee on Agriculture, Conservation and Natural Resources appointed by the Chairman thereof, and two of whom shall be members of the House Agriculture Committee appointed by the Chairman thereof. In addition to the legislative members, four citizens of Virginia representing the horse industry shall be appointed by the Governor. The Commissioner of Agriculture and Consumer Services shall also serve as a member of the joint subcommittee.

Legislative members of the joint subcommittee shall receive such compensation as is authorized by law for members of the General Assembly. Citizens appointed to serve shall receive compensation in the same amount as any member of the General Assembly participating in such study is entitled to receive. All members will be reimbursed for their actual and necessary expenses incurred for work of the joint subcommittee.

All agencies and officials of the Commonwealth shall cooperate fully with the joint subcommittee.

A BILL to authorize the Department of Agriculture and Consumer Services to establish an equine breeder incentive program.

Be it enacted by the General Assembly of Virginia:

§ 1. Equine breeder incentive program authorized.—A. It is the policy of the Commonwealth to encourage the growth of all segments of its agricultural industry. The horse breeding industry has a significant impact on the State's economy and it is to the entire State's benefit to help preserve its existing horse breeding farms and develop new ones. Programs utilizing various types of incentives have proved successful in other areas in stimulating the growth of their horse industries by attracting breeders into those states and strengthening the local breeders.

B. The Department of Agriculture and Consumer Services is authorized to administer an equine breeder incentive program in compliance with regulations adopted by the Board. Any breeder incentive program shall be limited to Virginia-bred horses and no public funds shall be distributed unless matched, at least on a one-to-one basis, by funds made available by the horse industry.

A Bill to amend and reenact § 1-15 of Chapter 760 of the Acts of Assembly of 1980, which appropriated certain public revenues for the two years ending, respectively, on the thirtieth day of June, 1981, and the thirtieth day of June, 1982, to the Department of Agriculture and Consumer Services.

Be it enacted by the General Assembly of Virginia:

1. That § 1-15 of Chapter 760 of the Acts of Assembly of 1980 is amended and reenacted as follows:

Item

(Appropriation(s))

First Year Second Year

131.1

Equine breeder
incentive program

\$ 100,000

Funds appropriated
for this item and
not spent in fiscal
biennium shall be
carried over to
succeeding biennium.

HOUSE JOINT RESOLUTION NO.

Directing the Senate Committee on Agriculture, Conservation and Natural Resources and the House of Delegates Committee on Agriculture to continue their joint study of a Virginia horse center.

WHEREAS, horse breeding and related activities have long been a cherished part of the Virginia scene and constitute a significant economic impact, as well; and

WHEREAS, other states have sponsored the construction of centers enhancing equine activities and attracting major national and international shows and events; and

WHEREAS, the private sector has expressed considerable interest in developing such a center; and

WHEREAS, the 1980 General Assembly directed a study of the desirability and feasibility of a Virginia horse center; and

WHEREAS, the subcommittee formed to conduct that study was unable to complete its study; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the joint subcommittee of the Senate Committee on Agriculture, Conservation, and Natural Resources and the House of Delegates Committee on Agriculture studying the development of a Virginia horse center be continued. The subcommittee shall assess the need in the state for a horse center and the degree to which it would likely be utilized. Any efforts by the private sector shall be considered as to the likelihood of their success and their ability to meet the needs of Virginia horsemen. The subcommittee shall consider all alternatives and make such recommendations it deems necessary to the 1982 session of the General Assembly.

The expenses of this study shall not exceed \$3,500.

