INDUSTRY PROFILE AND ECONOMIC IMPACT SURVEY

Introduction

The Alberta equine industry is a vast and complex industry with a wide range of inputs and outputs domestically and internationally which are constantly changing and not well understood. The industry is composed of five broad and important stakeholder groups; business operators, sport and recreational owners, support services and professionals, as well as the government. The Alberta horse industry can be characterized as fragmented with numerous associations, agencies, and groups representing special and vested interests such as a breed, an event, a service or an activity. This study examines the characteristics, attributes, nature, issues and selected economic dimensions of the Alberta equine industry. Horse industries across the North American continent continue to face a number of very significant issues which could threaten the essence, or existence of the industry, as well the industry does have opportunities to grow and revitalize itself. Some of the important and challenging issues include: economic, environmental concerns, health issues and problems, popularity of horses, land use, climate and legal and taxation issues.

There is a mystique about horses, which is pervasive and compelling to those who are involved with them. It is part of the heritage and traditions in this part of the world. Alberta needs to seek ways and means to ensure that the industry prospers and grows. This is a difficult task as there is a very guarded sense of optimism present among stakeholders. Yet owners and breeders, business and sport-recreation owners and others associated with the industry exhibit a strong commitment and passion for the horse and are willing to commit significant amounts of funds and energy to it as a way of life.

The Purpose of the Survey

The Association was determined to close any gap in the currency and quality of information related to the industry profile and economic processes. The equine industry is being challenged by many difficult situations and issues, which need to be addressed through valid and acceptable strategies, supplied by political and economic tactics. The Association is intent on creating greater influence and voice to ensure the continued protection and viability of the industry. This study created an information base, which will be used to develop an appropriate strategic plan and decision-making process to accomplish this end. Specifically, the objectives are:

- to develop a profile of the stakeholders within the equine industry in Alberta,
- to determine the economic practices and impacts of the equine industry in Alberta,
- to assess the stability and growth potential of the equine industry, and
- to identify the issues facing the industry and its stakeholders.

How The Survey Was Completed

The horse industry study was designed to capture the widest possible input on selected topics from horse owners and other equine stakeholders within the province of Alberta. A questionnaire was sent to a representative population throughout the province. The questionnaire was composed of 57 questions many of which contained numerous sub questions which were developed and reviewed by Weststar's consultants, the HISA, the Board of Directors of the Industry Association and several horse owners. The questionnaire was pilot tested using owners and stakeholders to ensure face validity. A preliminary mailing list of nearly 9,500 stakeholders was developed and revised to include 6,100.

The questionnaires were mailed in early January 2003 with a return target date of the end of January. A follow-up post-card reminder was sent in mid-January. In an effort to stimulate interest and respond to any questions that stakeholders might have, Weststar staff attended the Owners and Breeders Conference held in Red Deer on January 11 and 12, 2003. An additional 160 questionnaires were distributed to attendees, although most of the attendees confirmed that they had just received their questionnaire in the mail.

As an incentive to encourage participation, a weekend at the Fantasy Land Hotel at West Edmonton Mall was drawn for and the winning number (s) published in Horses All and on the Weststar web site.

Statistics Canada indicates that approximately five per cent of the Canadian population relocates each year. Of the mailed out questionnaires, 364 questionnaires were returned as moved or undeliverable. This suggests that approximately 5,890 (96.6%) of the initial 6,100 questionnaire packages reached the owners and stakeholders. A total of 1,793 completed questionnaires were returned by the deadline. There was an additional 67 questionnaires received after the deadline and were not included in the database. The rate of return was 30.5%. A statistical level of confidence of 97.5% was used which indicated a level of error of +/- 2.5%. It should be noted that n= refers to respondent number unless otherwise stated. Respondents were not compelled to answer each question or its parts, therefore the n= number can vary from question to question.

The questionnaires sought both quantitative and qualitative data. Quantitative data was computerized, while qualitative information was assembled and theme analyzed. All data and information was analyzed, conclusions drawn, and recommendations developed which are presented at the end of this report.

Who Participated In The Study, The Demographics

In this section of the report, a profile of the demographics is presented. The demographics include gender, age distribution, family income, respondent location, vested interests, perspectives and participation. The demographics will provide the reader with a sense of the overall nature of participation throughout the province.

Gender, Age Distribution and Vested Interest of Respondents

Several demographic respondent characteristics are presented. The following tables illustrate the relationship between gender and age characteristics and the focus of vested interest by sport-recreation, business and age. The goal was to assess the nature and relationship between these attributes for adequacy of representation.

The results indicate a dominance of female respondents who fell between the ages of 36 to 65 years of age. The male population responses indicate an earlier distribution shift in the ages of 26 to 55 years of age. Overall age distribution shows male and females between the ages of 36 to 55 years of age (59.4%). In general, the distribution of respondent responses depicts a normal curve distribution.

Gender		**Age Distribution of Respondents (n=1,793) (in percent)**							
		Under 18	**18 to 25 yrs**	**26 to 35 yrs**	**36 to 45 yrs**	**46 to 55 yrs**	**56 to 65 yrs**	**More than 65 yrs**	**%**
		3.4	4.9	12.1	28.2	31.2	15.0	5.2	100
Male	35.6 %	4.4	7.5	17.0	31.8	28.0	9.4	1.9	100
Female	64.4%	1.4	0.7	4.3	22.3	36.1	23.9	11.3	100

Table 1. Age Distribution of Respondents

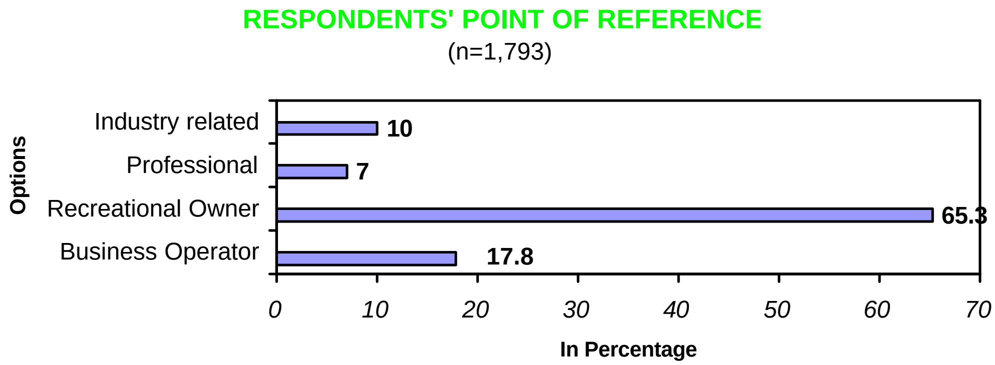
The following table illustrates that 76.0% of all respondents were sport-recreationally focused with only 24.0% focusing on business genre. Also of interest is the distribution of genders related to the business or sport-recreational category, which demonstrates the predominance of women in a sport-recreation capacity; however, two thirds of the males were also focused in the area. The males indicated a stronger interest in the business genre as compared to women.

Gender		Primary Focus of Interest (n=1,793)	
		Business 24%	Sports/Recreational 76%
Male	35.6 %	33.6 %	66.4 %
Female	64.4 %	19.4 %	80.6 %

Table 2. Focus of Interest

Respondents Primary Perspective in Responding

It was important to know the respondent's point of reference when responding to the survey. Four options were provided: 1) as a business owner, 2) recreational owner, 3) a professional person, i.e., veterinarian, or 4) business operator.



Graph 1. Respondents' point of Reference

The results indicate 34.7% responded as an industry related, professional or business owner while 65.3% responded as a sport/recreational person. This corresponds favorably to existing information about the Alberta horse industry and other North American research studies.

Length of Participation in the Horse Industry

Of interest was how long the respondents had been part of the industry and where there was a difference between the duration rate and their interest focus.

Primary Area of Interest (percentage by row)	**Length of Time Involved in the Industry**						
	Less than one year	**1 to 5 years**	**6 to 10 years**	**11 to 15 years**	**16 to 20 years**	**21 to 25 years**	**More than 26 years**
Business	0.0	4.9	15.1	12.3	13.1	13.1	41.5
Sports-recreational	0.7	14.2	15.0	13.6	14.1	10.9	31.5

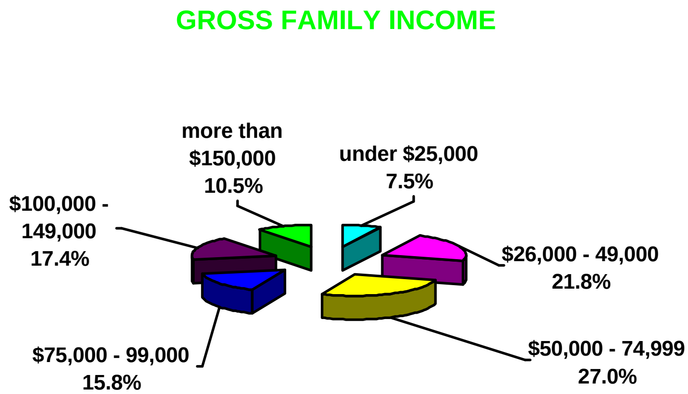
Gender (percentage by row)	**Length of Time Involved in the Industry**						
	Less than one year	**1 to 5 years**	**6 to 10 years**	**11 to 15 years**	**16 to 20 years**	**21 to 25 years**	**More than 26 years**
Male	0.2	11.1	12.4	12.7	12.2	11.1	40.2
Female	0.7	12.7	16.2	13.9	15.1	11.5	30.0

Table 3. Comparisons Between Age, Gender and Area of Interest

The results illustrate a representative balance of years of involvement in the business and sports-recreation areas as well as by gender. It is evident that the input by the respondents reflects considerable experience and exposure to the activities of the industry. The mean years of involvement is 21 to 25 years for business and sports-recreation is 16 to 20 years. This reported level of involvement of respondents enhances the overall level of trustworthiness and credibility of the results.

Family Gross Income

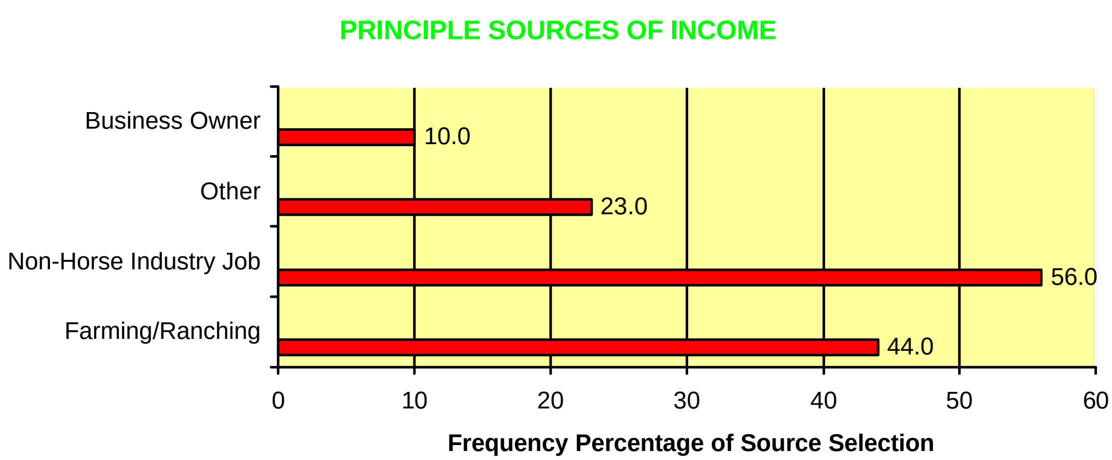
The study assessed the prevailing gross family income of those involved in the horse industry. The results indicate a wide dispersion of income ranges with the mean income in the $50,000 to $74,999 range, while nearly one half of all respondents fell into the $26,000 to $74,999 range. The under $25,000 income level was found to lie in the younger respondents. There was a significant group (27.9%) who reported income of $100,000 to more than $150,000. This group is primarily in the business side of the industry.



Graph 2. Gross Family Income

Principle Source of Income

Respondents were asked to identify their principle source of income(s). The question allowed for respondents to identify more than one source of income. The frequency of their choice(s) is illustrated in the following graph. The most frequently identified income source was that derived from non-horse industry jobs, which coincidences with the high level of sports-recreational owners.

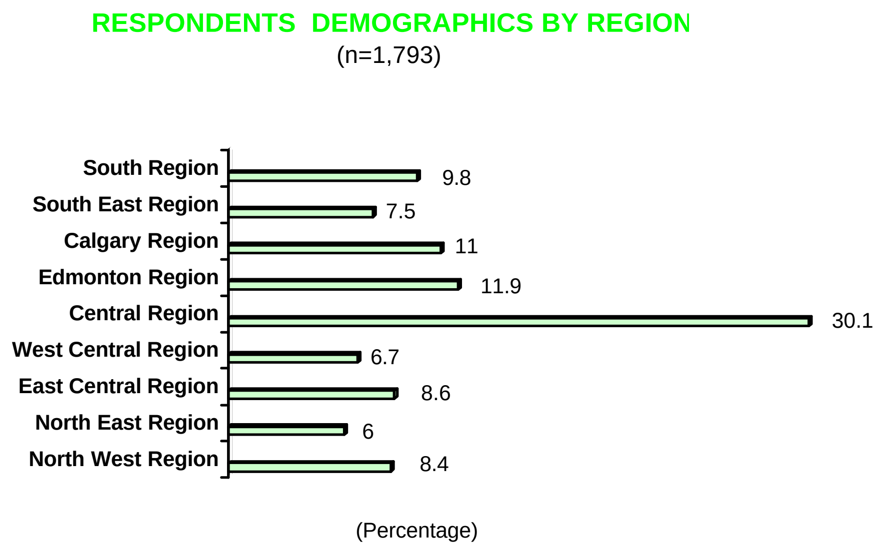


Graph 3. Principles Sources of Income

The most frequent sources of "other" income identified were: retirement income, pensions, oil and gas revenues, investments, and professional services. Stakeholders were asked that if their principle income was derived from farming/ranching, what was the prime commodity? The top seven commodities in order of frequency, included: cattle/beef, horses, grain, hay production, PMU, cow-calf operations and dairy production.

Where Do the Respondents Live?

The mailing list garnered a wide stakeholder representation from throughout the province. To assess the respondent representation, they were asked to report the first three letters and numbers of the their postal code, thus, providing a general basis to determine the area where the responses originated from. The results identified to a wide dispersion of respondents. The largest group was concentrated in the central portion of the province. The corridor from and including Edmonton to Calgary, as well as the central region accounted for 53% of the stakeholders. The following graph indicates the distribution while the provincial map in Appendix A illustrates the regional breakdown. The Edmonton region includes Edmonton, St Albert and Sherwood Park, while the Calgary region includes Calgary and Airdrie. Other cities were included in their respective provincial region.



Graph 4. Respondents Demographics By Region

This study results reported approximately 17,224 horses, which is about 5+% of the total estimated population of horses in Alberta as reported in the article Agriculture in Alberta: Livestock and Poultry Production, (Published September 11, 2002). The study sought to create a balanced and representative database reflective of the attitudes, opinions and experiences of those involved in the industry throughout the province. This objective was achieved by this report, creating a highly trustworthy and credible basis upon which strategic planning and decision-making can be made.