

reliability, temperament, health, performance, competition record, money earned, and compatibility of horse and potential owner. Auctions and sales events were used as a reliable tool to evaluate the current market status and as a tool in evaluating the price of a horse. It was noted that it would appear that the industry does not have a proven method of determining the value of the horse, there is a clear indication that three values are present, seller value, market value and buyer value, all of which produces a broad basis of what is value. Ultimately, prevailing market forces do create a price, which may or may not be acceptable to the buyer and seller.

The majority of respondents (84.3%) reported the origin of their overall equine stock was from within Alberta. Less than 16% of the reported equine stock originated from outside the province and outside of Canada.

The horses that were sold within Alberta comprised 66.9% of reported equine stock sold, while 21.2% of stock was sold outside of Canada with the remainder, 11.9%, being sold outside of Alberta but within Canada. A recent review of Quarter Horse sales statistics for 2001 and 2002 tends to emulate the survey figures of the destination points for equine stock.

Tools used to market horses were, in order of preference, private contract, friends/acquaintances, to breeders, auctions, and brokers/sales agents.

Horses that are deemed as unwanted or unusable in Alberta were disposed of to a meat plant (35.2%), euthanized (25.7%), or sold at auction (22.8%). Seven point nine percent reported giving the animal to a good home while 6.6% were kept until the end of their natural lives. Owners who reported keeping their horses stated that euthanasia was an option only if the horse was injured or in poor health. Numerous owners who reported methods other than the meat plant strongly stated that their animals were either “pets” or “companions” and deserved to be disposed of with dignity. On a smaller scale, owners reported sending their old horses to retirement facilities, rescue organizations and therapeutic riding facilities for the disabled. Horses that could not be sent to these organizations because of temperament or poor health were normally euthanized.

Breeding

A key aspect of the equine industry is its breeding practice, processes and management within different sectors of the industry. Three questions were developed to investigate four topics: 1) were they breeders, and if so, 2) did they have breeding stock, and 3) number of mares and stallions, and 4) types of horse(s) used for breeding. To offer the widest possible understanding of what is happening related to breeding,

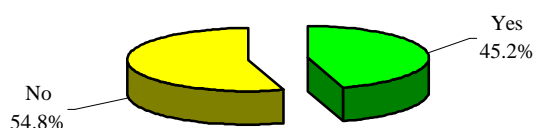
the results are presented to outline the industry results, sport-recreation, business operators, professionals and industry related business people.

Breeders

Over one half of owners (863 or 54.8 %) reported, in this question, not being involved in breeding while 712 or 45.2% used their herds for reproductive purposes (Graph 54). Table 25 shows the relationship between the four equine industry groups and whether stakeholders had a breeding herd. Of the 45.2% of respondents who reported being a horse breeder 41.1% were sport-recreational stakeholders.

ARE YOU A HORSE BREEDER?

(n=1,576)



Graph 54. Are You A Horse Breeder?

RELATIONSHIP BETWEEN EQUINE INDUSTRY AND HORSE BREEDERS

(n=1,576)

	Yes		No		Total
Business Operator	78.0	31.8	22.0	7.4	100%
Sport-recreational Owner	28.9	41.1	71.1	83.4	100%
Professional	67.3	10.8	32.7	4.3	100%
Industry Related Business Person	73.2	16.3	26.8	4.9	100%
Total		100%		100%	

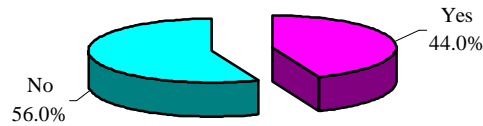
Table 26. Relationship Between Equine Industry and Horse Breeders

Breeding Stock

Of the 54.8% who reported being a horse breeder, 44% of owners reported owning breeding stock as reflected in Graph 55.

DO YOU HAVE A BREEDING HERD?

(n=1,508)



Graph 55. Do You Have a Breeding Herd?

An analysis of the relationship between the equine industry and those stakeholders who have a breeding herd is shown in the following table. Of the 44.0% who reported they had a breeding herd, the largest group, 40.9%, are sport-recreation owners.

**RELATIONSHIP BETWEEN EQUINE INDUSTRY
 AND STAKEHOLDERS WHO HAVE A BREEDING HERD**

	Yes		No		Total
Business Operator	76.0	32.7	24.0	8.2	100%
Sport-recreational Owner	28.4	40.9	71.6	81.4	100%
Professional	66.7	10.7	33.3	4.2	100%
Industry Related Business Person	66.5	15.7	33.5	6.2	100%
Total		100%		100%	

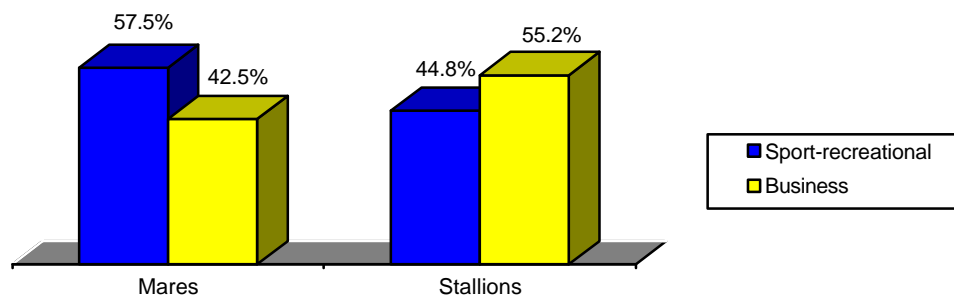
Table 27. Relationship Between Equine Industry and Stakeholders Who Have a Breeding Herd

Mares and Stallions

The third part of the question related to the number of mares and stallions and who owns them. Respondents reported owning 685 mares and 366 stallions for breeding purposes. Graph 56 illustrates the distribution of responses.

MARES AND STALLIONS IN BREEDING HERD

(n=693)



Graph 56. Mares And Stallions In Breeding Herd

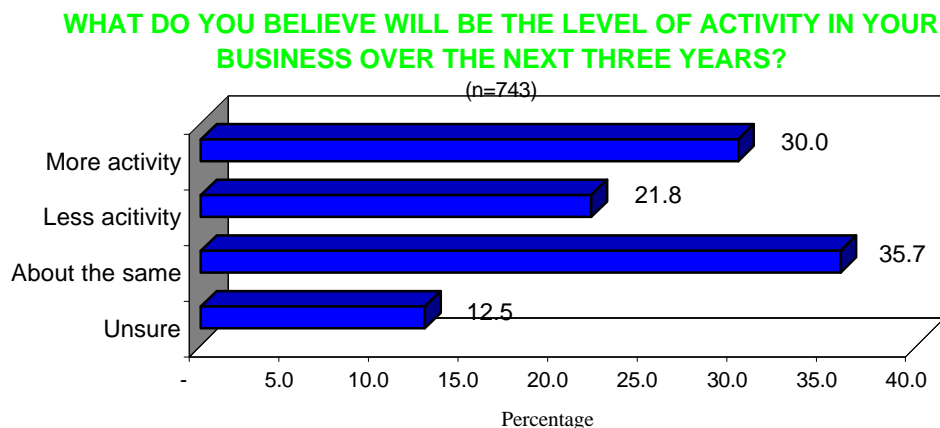
Type of Horse Used for Breeding

The fourth segment of the question relating to the breeding stock, sought to identify the breeds of horses present. Two hundred and thirteen respondents (31%) indicated that they specialized in the breeding of specific breeds. Based on frequency selected, the breeds reported are illustrated in the following table.

HORSES USED FOR BREEDING PURPOSES				
(n=213)				
Breed	Frequency		Breed	Frequency
Quarter Horse	38.3		Connemara	0.5
Thoroughbreds	18.6		Norwegian Fjords	0.5
Arabians	10.3		Oldenbergs	0.5
Paint	7.8		Canadian Stallion	0.4
Appaloosa	6.9		North American Curly	0.4
Crossbreeds/Grades	6.7		Ponies	0.4
Warmbloods	5.6		Rocky Mountain	0.4
Morgan	4.5		Standardbred	0.4
Tennessee Walking Horse	4.0		Westfalin	0.4
Percherons	3.1		Andalusian	0.2
Miniatures	2.7		Appendix Quarterhorse	0.2
Belgians	2.5		Bashkir Curlies	0.2
Canadian Sport Horse	2.0		Celle Francais	0.2
Welsh	2.0		Dales	0.2
Hanoverian	1.8		Draft	0.2
Donkeys	1.4		Haflinger	0.2
Peruvian Paso	1.4		Hackney	0.2
Pinto	1.3		Irish Draught	0.2
Trakehner	1.3		Kentucky Mountain	0.2
Clydesdale	0.9		Reinlander	0.2
Shire	0.9		Shetland	0.2
Saddlebred	0.7		Suffolk	0.2
Anglo-Arab	0.5			

Table 28. Horses Used For Breeding Purposes

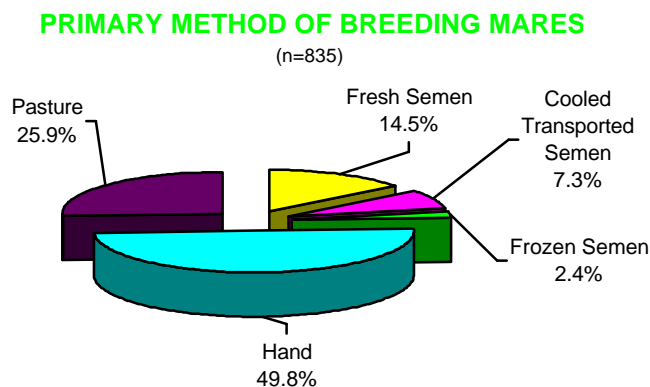
Projected level of activity in the breeders business over the next three years. Of those that responded “yes” to being a horse breeder, respondents were asked to elaborate on what they believe will be the level of activity in their business over the next three years. Stakeholders expect that the breeding industry will maintain the same volume of activity (35.7%) over time while 30.0% believed that the next three years would show an increase. Twenty-one point eight percent anticipate that there would be a decrease in activity while 12.5% were uncertain.



Graph 57. What Do You Believe Will be the Level of Activity in Your Business Over the Next Three Years?

Breeding Practices. Breeding practices are basically categorized into two distinct areas, 1) artificial insemination, and 2) natural services. Artificial insemination practices included fresh semen, cooled transported semen and frozen semen. Natural service included hand and pasture breeding.

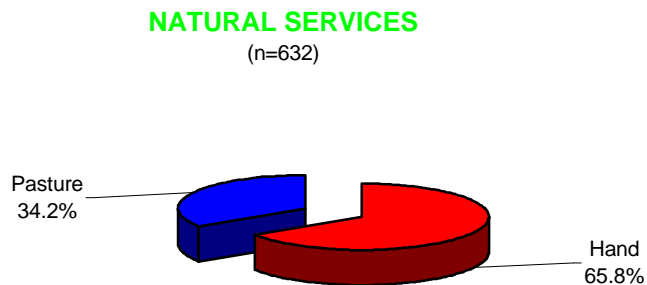
The following graph illustrates the breakdown in methods of breeding mares. Natural services are used by 75.7% of the respondents with artificial insemination used by 24.3% of the respondents.



Graph 58. Primary Method of Breeding Mares

Natural Services

Hand breeding was used by 65.8% of stakeholders while only 34.2% relied on pasture breeding. Of respondents who reported using hand breeding, 42.4% were sport-recreation owners and 30.6% were business owners (Table 29). Forty-four point eight percent of sport-recreation owners used pasture breeding while 33% of business owners utilize this process. The following graph depicts stakeholders' responses.



Graph 59. Natural Services

The following table provides an analysis of the relationship between equine industry groups and the type of natural services used by stakeholders for breeding their mares. All four equine industry groups reported their preference of hand breeding, compared to pasture breeding.

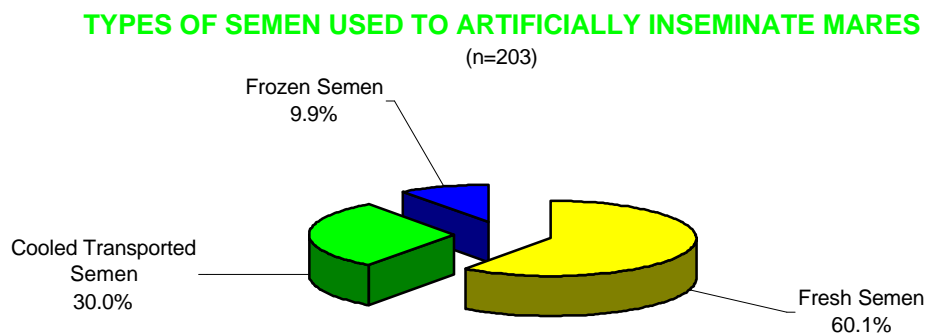
RELATIONSHIP BETWEEN NATURAL METHODS AND EQUINE INDUSTRY GROUPS

(n=632)

	Hand %		Pasture %		Total Percentage
	Hand %	Pasture %	Hand %	Pasture %	
Business Operator	64.3	30.6	35.7	33.0	100%
Sport-recreational Owner	64.8	42.4	35.2	44.8	100%
Professional	74.2	11.2	25.8	7.6	100%
Industry Related Business Person	67.7	15.8	32.3	14.6	100%
Total		100%		100%	

Table 29. Relationship Between Natural Methods and Equine Industry Groups

Method of artificial insemination of breeding mares. Of those breeders who chose artificial insemination as a means of breeding, the majority (60.1%) used fresh semen, 30.0% used cooled transported semen, while only 9.9% used frozen semen. The following graph illustrates responses of breeders.



Graph 60. Types of Semen Used To Artificially Inseminate Mares

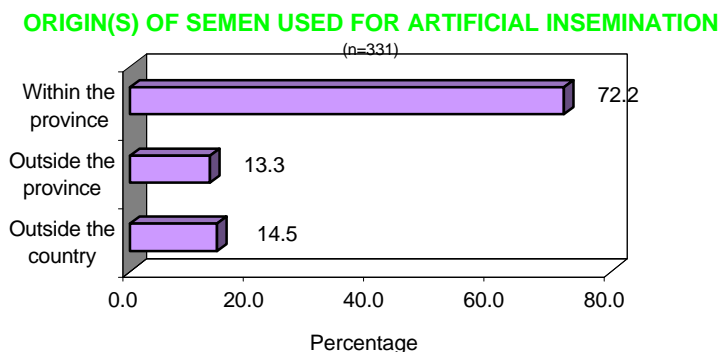
An analysis of the relationship between artificial insemination methods and equine industry groups is illustrated in the following table. The preferred choice of artificial insemination by all four equine industry groups is that of fresh semen, with the second choice being cooled transported semen and thirdly, frozen semen.

RELATIONSHIP BETWEEN ARTIFICIAL INSEMINATION METHODS AND EQUINE INDUSTRY GROUPS
(n=203)

	Source of Artificial Semen						Total Percentage
	Fresh Semen %		Cooled, Transported Semen %		Frozen Semen %		
Business Operator	59.1	32.2	30.3	33.3	10.6	36.8	100%
Sport-recreational Owner	64.0	39.7	25.3	31.7	10.7	42.1	100%
Professional	54.2	10.7	41.7	16.6	4.2	5.3	100%
Industry Related Business Person	60.0	17.4	31.4	18.3	8.6	15.8	100%
Total	100%		100%		100%		

Table 30. Relationship Between Artificial Insemination Methods and Equine Industry Groups

Origin(s) of semen. Of the 331 respondents who responded to the question “Semen used to breed my mares comes primarily from:” the majority (72.2%) reported acquiring semen from within the province, with 14.5% reporting importing semen from outside the country and thirdly, 13.3% purchase the semen from outside the province. The following graph shows the respondents responses.



Graph 61. Origin(s) of Semen Used For Artificial Insemination

The sourcing of quality semen is a question that all breeders are concerned with. The issue is usually linked to improving the quality of the bloodline or to improving the quality of the foal(s) through sire selection. Different breeders seek to meet their specific needs through sourcing semen from within the local area as well as searching regionally or internationally. The following table illustrates the relationship between origins of semen and breeders. The following table demonstrates that most of the semen sought by the breeders originates from within the province suggesting that there is a general satisfaction with the resident siring stock.

RELATIONSHIP BETWEEN EQUINE INDUSTRY GROUPS AND ORIGINS OF SEMEN
 (n=331)

	Source of Artificial Semen			Total %
	In Province %	Out of Province %	Out of Country %	
Business Operator	71.8	12.7	15.5	100
Sport-recreational Owner	75.3	16.4	8.3	100
Professional	77.8	2.8	19.4	100
Industry Related Business Person	60.9	15.2	23.9	100

Table 31. Relationship Between Equine Industry Groups and Origins of Semen

According to some owners, the demand for high quality frozen semen from superior stallions is demonstrated by the high price of semen in the world market. Furthermore, many of the best stallions are

competing or showing throughout the spring and summer breeding season, thus, the use of cryopreserved semen allows for semen collection during the quieter winter months.

Chilled and/or fresh semen is being used extensively to inseminate mares; however, the transportation and use of this highly perishable commodity requires extra management and costs to be successful.

The reliability of using frozen semen has been uncertain in the past, however, new techniques are making this option more viable and cost efficient. This will allow for an increase and ease of importation of specific bloodlines from sources other than within Alberta.

Disposition

The survey sought to determine the current practices for disposing of unwanted or unusable horses. The results indicated that horses deemed as unwanted or unusable were disposed of to a meat processing plant (35.2%), euthanized (25.7%), or sold at auction (22.8%). Seven point nine percent reported giving the animal “to a good home”, while 6.6% were kept until the end of their natural lives. Owners who reported keeping their horses stated that euthanasia was only an option if the horse was injured or in poor health. Many horse owners reporting methods other than the meat plant strongly stated that their animals were either “pets” or “companions” and deserved to be disposed of with dignity. On a smaller scale, owners reported sending their old horses to retirement facilities, rescue organizations, and therapeutic riding facilities for the disabled. Horses that could not be sent to these organizations because of temperament or poor health were generally euthanized. Disposition methods are reported based on frequency in the following table.

DISPOSITION OF UNWANTED HORSES

(n=1,305)

Meat processing	35.2
Euthanasia	25.7
Auction	22.8
Give away to good home	7.9
Keep them till they die	6.6
Sell as pet	4.4
Turn them to pasture	3.4
Board at a retirement facility	2.5
Brokers/Agents	1.6
Donate to a rescue organization	1.5
Donate to therapeutic riding facility	1.4
Donate to charity	0.4
Put it up for Adoption	0.2

Table 32. Disposition Of Unwanted Horses