ECONOMIC ANALYSIS OF THE BAN ON HORSE SLAUGHTER

Erin Query
February 23, 2009
OUTLINE

- Purpose
- Background
- The Industry
- The Law
- Proposed Law
- Different Views
RESEARCH

- Questions Addressed
- Results
- Conclusion
PURPOSE

- Economic Impact on Horse Prices
- Pilot Study
- Overpopulation
BACKGROUND

- What is an unwanted horse?
- Time frame covered
- Locations
Neurdorf, SK
Brush, CO
Ft. Worth, TX
Kaufman, TX
DeKalb, IL
PROPOSED LAW

- H.R. 503
  - “...prohibit the shipping, transporting, moving, delivering, receiving, possessing, purchasing, selling, or donation of horses and other equines to be slaughtered for human consumption and other purposes”
THE INDUSTRY

- ≈ 100,000 horses exported annually

- People involved
  - Direct employees
  - Buyers and sellers
  - Truckers

- Process
  - Buying
  - Paperwork
  - Shipping
STATE LAW

- Texas State Law - 1949
- Illinois Code § 225
- California Code § 598c
Horses Slaughtered Weekly

# of Horses


Courtesy of National Agricultural Statistics Service
FEDERAL LAW

- USDA Animal and Plant Health Inspection Service
  - Opportunity to eat and drink not less than 6 hours prior to loading
  - Bear weight on all four limbs, can walk unassisted
  - Not blind
  - Not going to foal

Continued
FEDERAL LAW

- USDA Animal and Plant Health Inspection Service Continued
  - Older than 6 months
  - Document preexisting conditions
  - Falsification = up to $10,000 fine and 5 year imprisonment
FEDERAL LAW CONT.

- Straight deck trailers only
- No electric prods
SUPPORTERS OF THE BAN

- Inhumane
- Americans do not eat horse meat
- Horses are viewed as pets
Opponents of the Ban

- Owners should have choices
- Impact on horse population
- Alternatives are expensive
- Public lands are impacted
- US should not decide what the rest of the world eats
- Possibly will lead to other industries being shut down
METHODS

- Brush Livestock of Colorado
- One Buyer
- Variables
  - Prices
  - Not studied in depth
- Method Used
  - Budgeting
  - Price comparison
QUESTION ADDRESSED

- Cost of sending a horse to Canada
- The cost of caring for a horse
- How have prices changed?
RESULTS - COSTS

- Basic cost of keeping a horse
  - Hay - 3.65 tons a year @ $185/ton = $675
  - Basic health and hoof care = $260
  - Total $935
    - Does not include facility cost
RESULTS - COSTS

- Cost to send horse to Canada
  - $150/horse
  - Includes fuel, driver cost, etc.
  - Permits and certificates

33 horses @ 1000# minimum
33 horses @ $150 cost ea. = $4,950 cost per load
RESULTS - REVENUE

- Avg. price received at slaughter facility
  - 34¢ per pound

33 horses @ 1000# minimum = 33,000 # per load
33,000# @ 34¢ = $11,220 revenue per load

Net Income = $11,220 - $4,950 = $6,270 per load
Data from BLC
RESULTS

- Average price decline
  - $200 - $300 per horse
- Buyer would pay more if US options were open
  - 15 - 20¢ more per pound
LIMITATIONS

- One Location
- One Buyer
- Centrally Located
- Pilot Study
RECOMMENDATION

- Allow horses to be shipped outside the US
- Re-open the US facilities

- Owner should have choices
- Keep horse population in check
- Economically beneficial
REFERENCES
