

ECONOMIC ANALYSIS OF THE BAN ON HORSE SLAUGHTER

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OUTLINE

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

RESEARCH

- ⦿ Questions Addressed
- ⦿ Results
- ⦿ Conclusion

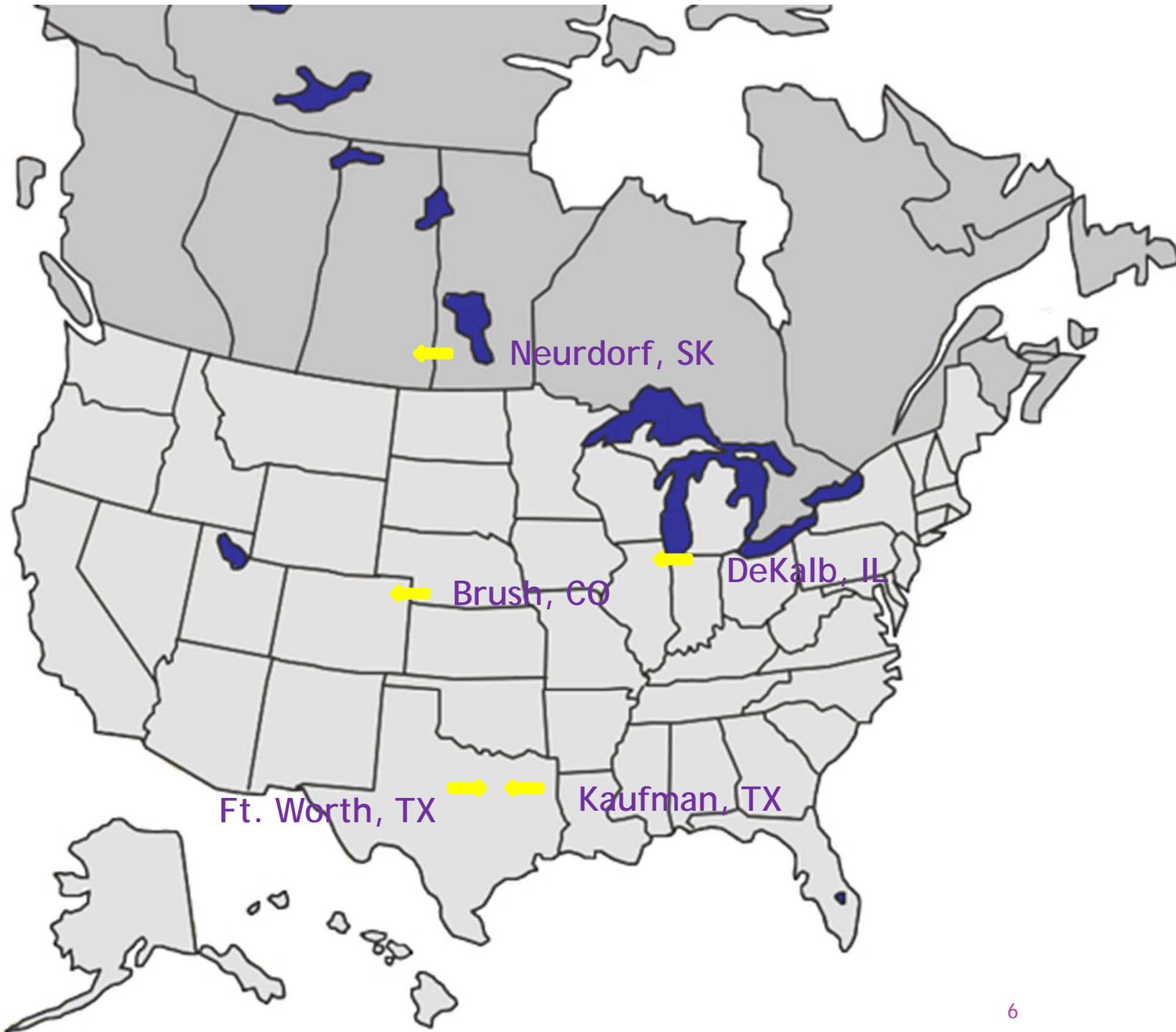
PURPOSE

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

BACKGROUND

- ⦿ What is an unwanted horse?
- ⦿ Time frame covered
- ⦿ Locations





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”

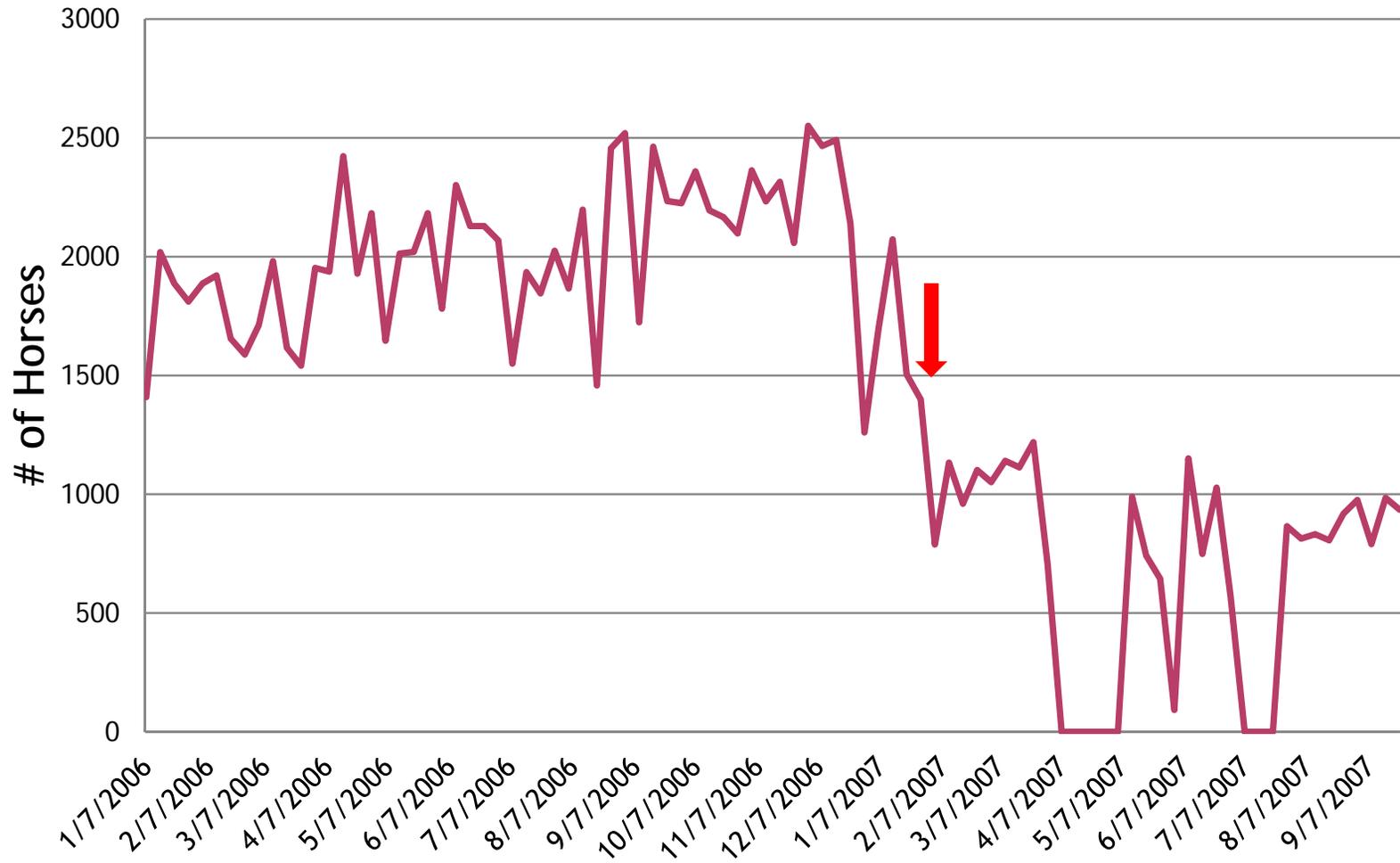
THE INDUSTRY

- ⦿ ≈ 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



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

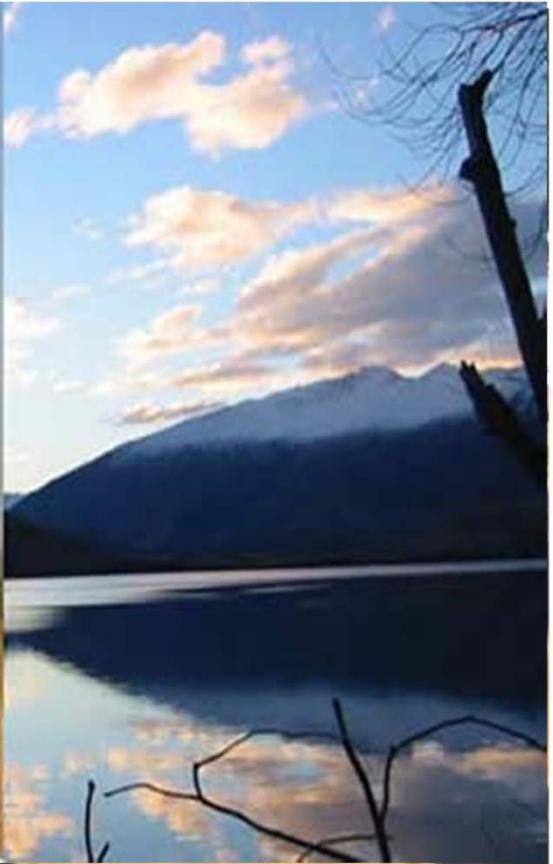
- ⦿ Inhumane
- ⦿ Americans do not eat horse meat
- ⦿ Horses are viewed as pets

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



RESEARCH

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

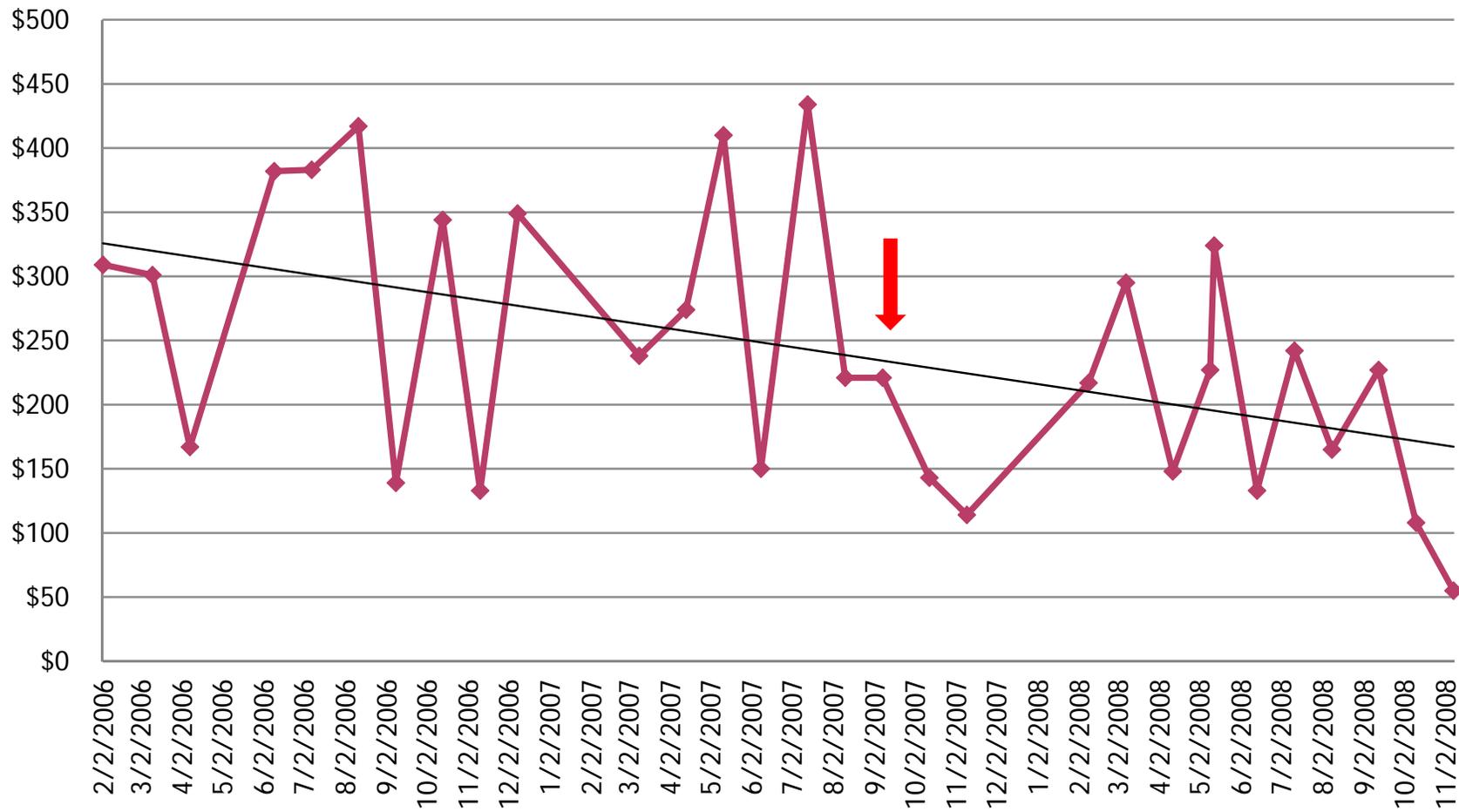
- Avg. price received at slaughter facility
 - 34¢ per pound

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

Total \$ Per Horse



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

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QUESTIONS?