

Virginia Agricultural Commodity Board Annual Report

ANNUAL REPORT OF THE VIRGINIA HORSE INDUSTRY BOARD
(2010-2011)

I. Narrative

The Virginia Horse Industry Board was established in 1994 as the result of legislation and a statewide referendum. The 12-member Board is responsible for the promotion and economic development of the horse industry in Virginia. Activities of the Board are supported by the Virginia Horse Industry Promotion and Development fund. Monies in the fund are generated by an assessment of \$1.50 on each Equine Infectious Anemia sample (Coggins Test) collected in the state.

The Board has identified seven focus areas in its strategic plan:

- 1) Collect and Analyze Data on the Horse Industry
- 2) Produce and Promote Economic Impact Studies
- 3) Develop Short- and Long-Term Marketing Plans to Promote the Virginia Horse Industry
- 4) Promote and Assist Educational Programs
- 5) Promote and Support Equine Research in Virginia
- 6) Utilize the Board's Annual Budget to Meet the Mission Statement and
- 7) Communicate to the Horse Industry the Plans and Progress of the Virginia Horse Industry Board.

The Board awards grants on an annual basis according to grant guidelines which have been developed and are publicized. Grant proposals are submitted in early March and are reviewed shortly thereafter by the Board. The Board works diligently to promote the \$1.2 billion equine industry in the Commonwealth.

II. Budget and Finances

(Cost Code #625)

1. Cash Balance: June 30, 2010..... \$129,495.95
2. Assessment Receipts: July 1, 2010-June 30, 2011.... (+) \$76,372.95
3. Other Receipts: July 1, 2010-June 30, 2011..... (+) \$73,498.07*
*(*from the Virginia Racing Commission)*

4. Total Balance and Receipts (1+2+3)..... (=) \$279,366.97
5. Deduct Total Actual Expenditures (from VDACS
Financial Analysis Sheet)..... (-) \$102,271.79
6. Cash Balance: June 30, 2011..... (=) \$177,095.18

The income from assessment receipts for the Board over the past fiscal year was \$149,871.02.

Expenses for the Board totaled \$102,271.79 and were spent primarily in the following categories:

Advertising	\$6,205
Printed Materials	\$1,263.30
Public Information/PR/ Media Services	\$73,754.94
Building Rentals (Trade Shows)	\$5,125
Website Maintenance	\$4,800

III. Projects and Funding

Over the past year, the Board awarded a total of \$339,266.18 from the Equine Feed Checkoff Fund(Cost Code #626) to fund some 28 new projects promoting marketing, education, and research of the industry. A list of some of those grant projects follows with the recipient of the project monies, the category, and the dollar amount:

Virginia State 4-H Horse Show {Virginia 4-H Foundation/education}	\$5,000
Virginia Foundation for Agriculture In the Classroom Program {Virginia Ag in the Classroom Foundation/education}	\$5,000
Technical Large Animal Emergency Rescue Training {The MARE Center & VA Cooperative Extension/education}	\$3,500
Virginia Quarter Horse Association Open Show Program & Clinic Series {VQHA/education}	\$6,000
Serving the Virginia Horse Industry Across Virginia {Virginia Horse Council/marketing}	\$30,000

Evaluation of a Selective Deworming Program in Horses Based on a Classification System of Low, Moderate, and High Strongyle Egg Shedding {Dr. Anne Zajac, VA Tech/research}	\$5,840
The Role of the CD14 Receptor Molecule in Equine Endotoxemia {Dr. Martin Furr, Marion DuPont Scott Equine Medical Center/research}	\$6,850

IV. Year End Funding Level

The cash balance in Cost Code #625 as of June 30, 2011, was **\$177,095.18**.

V. Board Meetings and Board Member Attendance Roster

The Board met five (5) times between July 1, 2010, and June 30, 2011. It is anticipated that the Board will continue to meet four to five times per year. A meeting roster/attendance sheet is attached.

VI. Summary

This past fiscal year, the Virginia Horse Industry Board continued efforts to promote the state's equine industry through a number of expanded projects. Inherent in the projects was the Board's mission: the promotion and economic development of the Virginia horse industry.

Major Projects Included:

- The production of a **new economic impact study** conducted by the University of Virginia Weldon Cooper Center's Dr. Terance Rephann and commissioned by the Virginia Horse Industry Board was a prime effort of the VHIB last year. Main findings of the study included:
 - The Virginia horse industry has an economic impact of \$1.2 billion and includes 215,000 horses on 41,000 operations.
 - Horse owners spend \$873 million annually on horse related expenses. These expenses average out to \$4,060 per horse.
 - The industry generated more than 16,000 jobs in Virginia last year.
 - The industry generates \$65.3 million in state and local taxes. More than 50% of that figure represents state taxes.
 - Some 1,200 horse shows and events were held in Virginia in 2010—generating \$25 million in revenue and nearly 1 million people attended these events. Out of state participants spent an average of \$3,100 per event.
 - Horses are the 8th largest agricultural commodity in Virginia according to cash receipts and Virginia ranks 12th in the nation for numbers of horses.

Major media coverage in state, out of state, and in trade publications was achieved.

- Funding of **28 new grants for a total of \$339,266.18**. To date, the Virginia Horse Industry Board has "re-invested" more than \$1.4 million back into the Virginia

equine industry since the grants program was initiated in 1995. In addition, the Board continued its long-term support of two major horse facilities: \$15,000 per year is being awarded to the Virginia Horse Center in Lexington and \$25,000 annually is being awarded to the State Fair of Virginia/Meadow Event Park in Doswell.

- Another major effort of the Horse Board was working with Pritchard-Volk Consulting who were selected to prepare **a strategic marketing plan for the VHIB**. Suggestions from the consultants included issuing requests for special project grants and promotion of the economic impact study results.
- Participation in 2 major equine trade shows and 1 international event both in state and out of state. One of these events was the World Equestrian Games in Lexington, KY. This was the first time these games were ever held in the U.S.
- Filling some 5,000 requests for *A Guide to Virginia's Horse Country* generated from a VHIB ad in the 2010 *Virginia Travel Guide* and from requests by Tourism and Visitor Centers throughout Virginia.
- Updates, revisions, maintenance and expansion of the Board's website, www.vhib.org, including the development and addition of new sections on special project grants. The site is now also on Facebook.
- Continued a new program offering financial incentives to Virginia horse owners through a "Virginia Bred" Program. This past year, 10 equine breed associations and industry organizations shared a total of \$26,000 for the second year of this program.
- **Equine Feed Checkoff** (Cost Code #626): Following the conducting of a referendum in the spring of 2006 and its subsequent passage, the equine feed checkoff went into effect July 1, 2006. This calls for equine feed manufacturers to pay \$3 per ton or 7½ cents per 50-lb bag of equine feed sold in Virginia. This fee is collected by VDACS and goes to the Virginia Horse Industry Board. Following collection of these checkoff monies for 2010, a total of **\$184,686.44** was remitted by feed manufacturers. The Horse Board used these funds solely for grants and **\$339,266.18** from this revenue source was expended over the past year solely for these grants.