

Equine Canada Breeds & Industry, Round Table at the Royal was held on Thursday, November 8, 2007 at 2:30 p.m. EDT during the Royal Winter Fair, Toronto, Ontario.

Below is a summary of the session. This summary is divided into four parts:

- ? Opening Comments
- ? Round Table Discussion
- ? Additional Questions
- ? Action Items

OPENING COMMENTS



Al Patterson, President of Equine Canada, welcomed everyone and thanked them for attending the Breeders' Round Table, in particular the members of FEI Group IV who represent the US and English-speaking Caribbean countries, and who enjoyed a trip to W Charlot Farms this morning. He also introduced Susan Stewart, Equine Canada Breeds & Industry Division Coordinator, Export Market Development, and Barbara Daley, Marketing Consultant for the horse industry, a Canadian Warmblood breeder, and an amateur rider, who was the Discussion Facilitator.

Barbara Daley described the session format, purpose and anticipated goal, and welcomed members of the Sport Division who also have questions and challenges regarding horse breeding and marketing of Canadian horses to the world.

She then asked each FEI Group IV Delegate to introduce themselves and give a brief comment about themselves. She also welcomed breeders to the forum who represent several breed registries. She noted that a Networking Package will be distributed by mail to those in attendance following the session.

The session was conducted using a Discussion Document which contained questions submitted in advance by participants. Each question was targeted toward the FEI Delegates (FEI), the Canadian Breeders (CB), for Equine Canada Breeds & Industry (ECBI), Sport Representatives (SR) or for Open Discussion (OD). The questions along with summaries of the ensuing discussion are indicated below.

ROUND TABLE DISCUSSION



FEI - Does your country provide any financial support for the training of horses or riders? At what level does this support kick in? Does this support include the sourcing of horses for the purpose of competition? Does it include financial support for the purchases of horses?

- ? *The funds can be provided by the Solidarity Fund, granted through the International Olympic Committee, which is for local riders coming up from the grass roots, training riders for international competition, but never for purchase of horses. They are all on their own for that. That applies to all the islands.*

FEI - How do most riders from your country fund the purchase of their horses? Do they own them personally? Do they have benefactors? Are the horses sponsored by corporations or government?

? *Personal purchase; once in a while there are benefactors. A few of the islands have people who are training abroad and have to train abroad to reach Olympic standards. Corporate sponsorship might come that way.*

FEI - Where would you say most of the horses in your country are currently sourced? Which is the most common source per discipline?

? *Germany. A couple of Irish horses. US. From Germany into the US.*
? *Those competing in Europe will source from Holland and Germany.*

FEI - When sourcing horses who gets involved? Does the rider typically work independently? Does the coach help to ascertain suitability? Does this coach act as an agent or does he use another agent? What about national team riders? Is there a person who 'owns' this role at the higher levels?

? *The coach has the greatest influence on the riders' horses.*

FEI - What are the typical business practices with respect to commissions and agency fees? Are there any special considerations which need to be made with respect to this when marketing horses to your country?

? *In North America it is proper protocol to connect with coaches because they are sourcing horses and act as an agent and will therefore get a commission. It is important to respect that relationship and not circumvent it.*
? *Islands are very much word of mouth – no fee or commission.*
? *However horses from US coach and had to pay commission on both sides.*
? *It is the norm in North America, but it is very confusing, because there can be many parties involved at many levels and because of that, in the opinion of some, it has stagnated business.*

OD - In the state of Kentucky in the United States, House Bill 446 was signed creating a new law which applies to the sales of horses, including that sales be in writing and signed by both the buyer and seller, and that a person may not act as the agent for both the buyer and seller unless full disclosure and written consent is given. Does your country have any such legal considerations that need to be understood? Is there any move by your country to undertake such legal positions?

? *This is not something which is being used by any one country yet. It would be a positive change and is currently being explored by FEI as something that may be regulated from that level.*
? *Suggested that selling and buying of horses could be treated like real estate. Only one side pays a commission.*

OD - Currently, there is no formal publication of the amounts horses sell for. This lack of transparency leads to poor business practice through either misunderstanding or misuse

of information. This deficiency is causing horse sales to stagnate in our country. How can we look to the regulations put in place in the real estate and investment industries as a model for improved practices and conduct?

- ? *Real Estate is a regulated industry. The value of real estate varies with the market and is somewhat subjective. This is the same with horses. If a solution can be found in the one industry then I am confident it can in the other.*
- ? *Recommending a ceiling on commission fees of horse sales. Without this ceiling it is difficult for the small breeder to participate.*
- ? *The investment industry was once highly variable in its practices. Decades later it is regulated and thriving.*
- ? *How do we go about achieving this? Do we look to our national regulatory body, Equine Canada, to champion the process?*
- ? *A national database is identified as a tool where one search for a particular horse type and price range*
- ? *This was the intention of the "Equine Canada Guide to Horses and Ponies for Sale in Canada". It is hoped that it will be integrated with the new EC site.*
- ? *There is a desire for public information*
- ? *From a buyer's point of view a regulated industry would position Canada as a marketing country and encourage people to come and buy. It will help the industry.*

OD – Currently in Holland, a practice has been put in place for a pre-purchase protocol. When doing a pre-purchase examination on a horse ALL vets use a standard method of assessment. For instance, x-rays are qualified from 1 (very good) to 4 (not acceptable). In using this same standard, the buyer is able to read vet exams in a consistent manner. By adopting this same protocol in Canada, buyers will be able to compare the horses for sale in Europe with the ones for sale here.

- ? *It is felt that good practicing veterinarians in Canada would uphold standard examination and agree with it after it was brought forward by a governing body*
- ? *Important that vets would not be liable for standards around their assessment.*
- ? *Through a standardized method one can compare the vet exam reports of the horses to find out the best horse for the desired purposes.*
- ? *Sales will improve if we have clear standards and the information becomes comparable.*
- ? *Perhaps if a suggestion came forward from the horse industry, veterinarians would be interested. They are in business to please the customer and what is demanded of the industry at this point in time.*
- ? *In European countries, governments recognize the importance of the business aspect of these horses and the value of this export.*
- ? *Breed associations should also be interested in a protocol for use in breeding evaluations and determine if certain faults were consistent and perhaps genetic.*
- ? *It is recognized that a rating system used in Holland for example is far from black and white, but at least it gives you a consistent framework. It would be to the benefit of all of us. If you are not an educated buyer it is very confusing. It varies from no written report, to one page, to a full veterinarian report. There is no standardization. It is very hard for an uneducated person to work through that system. There should be standardized pre-purchase report. The Dutch one has a lot of elasticity and that is important too.*
- ? *A standardized pre-purchase report provides a consistent framework which is seen as beneficial.*

Dressage Canada could not attend but submitted a number of questions. They are specific to the dressage discipline, but can be viewed as being about any of the sport disciplines and specific breed types.

CB - At last year's World Equestrian Games in Aachen, Germany, at least 25% of the top 30 dressage horses came from jumper bloodlines. For Canadian breeders that tend to specialize in jumper bloodlines, there is a potential dressage market for young prospects that may not have outstanding jumping talent, but nevertheless possess athletic and temperamental attributes that could make them suitable for dressage. How can the dressage community facilitate a relationship between such breeders and potential buyers?

- ? *There are no Dressage or Jumper bloodlines. You have to make sure the horse is an athlete and go in the direction you want or is the direction its talent is predisposed for.*
- ? *Many riders or trainers don't have the skills to develop a green horse, which leads us to our next question.*

OD – We know that we are breeding high quality animals. We also know that we have a gap between the breeders and the end users, and that is because we don't have a system of training in place. How do we change that?

- ? *Successful breeders have placed, and they are still placing horses. If they have special horses they will place that horse with an elite rider who can train it. Eventually the horse is sold which is more advertising for them.*
- ? *Breeders have to nurture or develop an understanding of the market – who the people in the market are, and connect with them.*

CB - Would the breeders be interested in supporting and sponsoring futurity classes for young dressage horses? The futurities could be structured along the lines of the FEI young horse championships, and could be part of a regional series in which the top finishers would compete at a Final here at the Royal Winter Fair.

- ? *We do have Canadian Performance Futurity established in this country. Through Equine Canada some money has been flown through to help support this futurity. The problem is we are not advertising that this exists. Although the breeders know about it, but there is a disconnect. We are not really sure that Sport Council, within Equine Canada is on board as well and that information is getting to that part of the organization. Definitely we need to get out there and realize there is this disconnect. Also, since this futurity is in the early stages of development and covers only three disciplines at this time, it will be important to have sport involved in guiding its potential expansion.*

OD - If Dressage Canada were to create a Breeder of the Year award, how could that best be created? How could access be gained to a results database that informson bloodlines and identifies the breeder? How can our discipline better promote Canadian-bred horses? What type of recognition are breeders of 'excellence' looking for from our discipline?

- ? *If Dressage Canada were to create a Breeder of the Year Award — money would help*

- ? *More support from publications would support this further: bloodlines, dam, sire, so successful bloodlines and crosses become recognized.*
- ? *Formal support from a database which documents these variables and bloodlines is desired and seen as a priority.*
- ? *Data would need to link with sport results and breed registries which are already accumulating that information.*
- ? *FEI 4, 5 and 6-year old classes require sire and dam and horses' papers that have bloodlines, who the breeder was and who you purchased the horse from.*
- ? *In parts of Europe, at every horse show there is a program, and in the index you could look up the horse's name, breeder, owner, and pedigree. The information is supplied by the equestrian federation. If horses win in classes there is a breeder's premium.*
- ? *Information could be sourced from entry forms or from a centralized database*
- ? *USEF has gone quite far along this path of registry. It would be good to have databases of Canada and the US interactive so we have continental information.*

OD - For breeders interested in dressage, would you be willing to make a more long term commitment by entering into a contract with either an established professional rider or an up-and-coming young rider to compete one of your horses? The length of the contract could be a year or longer, the rider would perhaps assume the costs of keeping and competing the horse, and at the end of a predetermined time an evaluation would take place to decide whether to continue with the contract or sell the horse. Are there other ways to link top breeders to top riders?

- ? *In some disciplines there is an expectation that the breeder foot the bill on all expenses*
- ? *Other disciplines have a different model whereby there is expense sharing*
- ? *It is felt that very good horses are desired by the professionals and talented riders*
- ? *There may be a role for Breeds & Industry to connect with Sport Council to facilitate some of these potential relationships*

ECBI - In order to make informed decisions and assess potential costs & financial return, breeders, especially small breeders, need easy access to information on health permits, quarantine regulations, inspection procedures and changing government regulations (both domestic and international) concerning import/export of blood stock, embryos and semen. Is there enough interest to document and centralize this information and if not, can we launch such a project?

- ? *There is enough interest – that is a role that B&I can help facilitate with breed association members and volunteers.*
- ? *That can be done on the Equine Canada Breeds & Industry web pages. A place where you can find the exact answers you need, and you can find it faster.*
- ? *Under the Equine Canada Breeds & Industry Export Market Development Strategy, there is some money available for Export Preparedness Training this year and next. Some breed associations have held these types of courses already. They were well received. This needs to be expanded.*
- ? *Transportation and shipping is a huge concern for overseas buyers. That information would be very useful and advantageous when you are purchasing a horse.*

FEI - One of the challenges we face in Canada is that we are geographically vast. If we are marketing horses to other countries what are some of the options to create an efficient shopping experience. More importantly, how do we ensure some of the great breeding programs, which are based outside the main centers, are explored and considered?

- ? *A listing ... if you are a breeder you have to put yourself on some kind of list*
- ? *It would be a tool of Equine Canada Breeds & Industry. It is something we need to be able to service the industry.*
- ? *Centralize the horses and invite international buyers*
- ? *A directory of farms which are available in all provinces, so the buyer can know in advance what the farm is like and if they are interested in entertaining a group and have facilities to do it.*
- ? *Small breeders would not be against going to centralized location, because we don't have proper jumps, etc. to show the horse.*

FEI - If Canadian breeders wish to market their horses to the end buyers of horses in your country, who should they target? How would they go about contacting these individuals?

- ? *All our national federations have websites – that would be the best way that we would approach anything to do with Canada.*

CB and SR - How can we most effectively expand the global scope of Canadian Equine marketing strategies and include all the equine breeds, sports and interests?

- ? *You have to have a resource to find out – the equine industry is as varied as horses and breeders and tests that are out there have to find a way of marketing that vast diversity – MLS (an online real estate directory system) alone is the way to do it.*

ECBI – Dressage Canada directed to the Breeds & Industry Division that we should be trying to encourage a better working relationship between the breeders and the disciplines that leaves us with a stronger "win-win". We need to know more about one another's organizations in order to achieve this. What do you recommend as a first step? Can you commit to achieving this or more within the next twelve months?

- ? *Breeds & Industry needs to work with Sport on this. It is a work in progress.*

FEI - I know FEI guests are mainly associated with Olympic disciplines. Amongst our breeders here – we have several different breeders. In our country are you familiar with other disciplines? Do you have a demand for Quarter horses? Appaloosa horses? Those horses not usually used in the Olympic disciplines? Some of our breeders would like to know that.

- ? *Warmblood is what is used as there are only two equestrian sports which take place in Barbados.*
- ? *In the Cayman Islands, lots of residents use Quarter horses.*
- ? *Are there any mini horse breeders in Canada? I want to start taking minis to Jamaica.*

ECBI - Can we look forward to having Equine Canada put together a list or database of potential sellers or breeders?

- ? *There is a commitment to go in that direction.*
- ? *There will be a couple of priorities coming out of the minutes. We will immediately respond to some of them, and others we are working on.*

ADDITIONAL QUESTIONS



Facilitator's Note: The following questions were submitted as a part of the original Discussion Document, but were not addressed directly during the session, as they were either covered by existing discussion or time did not allow for a complete review of its content. They are however included in this summary for further consideration.

FEI - Which breed association is the most commonly recognized and most used? What are your feelings about the Canadian registries?

CB - Dressage is one of the sports that sees a high proportion of imported horses, at all levels, primarily from Europe, but also from the US. What do Canadian breeders feel they can do to motivate dressage horse buyers to look first in Canada? Is price a significant factor? At this year's Equine Elite Auction in Holland, prices for horses there were quite competitive, with many selling in the under 30,000 Euro range for three to four year old horses that are well started under saddle.

CB - Related to the question above: Would the breeders be interested in sponsoring awards at some of the higher profile competitions, with a possible year end champion?

OD – How do we ensure there is alignment between the costs of raising horses versus the prices customers are prepared to pay.

OD - Dressage is a discipline with a high proportion of imported horses, particularly from Europe. How is the Breeds division planning to continue to improve the standard of Canadian bred horses? How are they developing discipline-specific marketing strategies that will encourage purchase and development of Canadian horses? Do Canadian breeders stay abreast of trends and prices in the European marketplace?

FEI - Canadian breeders have undertaken some very extensive programs to market their horses. This includes several Warmblood auctions, which used various selection criteria. Do you believe horse buyers in your country were interested in these? Would they be interested in them in the future? What would the best way be to communicate these sales? How would we go about getting a commitment to attend these sales?

FEI – Logistically it is a daunting task for the consumer to visit more than a few breeders at a time. The Elite Warmblood Sale is a way for Canadian breeders to showcase and market their horses. Firstly, have you been made aware of this sale? And secondly, would you support it in the future?

FEI – What kind of information are you looking for to take home from Canadian Breeders?

FEI – Today's discussion represents one of the most important steps in helping Canadian breeders of horses improve their export marketing efforts. By fostering a relationship with you and the country you represent, we hope to eventually attain our goal of supplying your nation with world-class sport horses. In a few words, what do you recommend our next step toward that goal is?

ACTION ITEMS



1. International buyers would be interested in Canadian-bred horses if they could find them easily. The international participants agreed that if they were looking for horses in Canada they would first look at the national federation website (www.equinecanada.ca) for a list of breeders and sellers.
2. Breeders in Canada and international buyers need centralized access to up-to-date information on health permits, quarantine regulations, inspection procedures and changing government regulations (both domestic and international) concerning import/export of blood stock, embryos and semen, and international transportation.
3. Help is needed to connect Canadian breeders with Canadian riders, drivers and trainers.
4. Sport disciplines see a need to expand Canadian-bred equine futurities and young horse development programs.
5. Further development of a centralized database to link all equestrian sport results with pedigrees is needed.
6. Horses' bloodlines and breeders' names need to be included in all Equine Canada communications (e.g. discipline media guides, press releases, etc.) and horseshows should require it on entries and publish it in prize lists and on the order-of-go sheets.
7. Equine sale prices should be published when possible.
8. Commission rates on equine sales need to be regulated.
9. Equine Canada should work with the Canadian Veterinary Medical Association to promote a standardized pre-purchase veterinary exam.
10. Dressage Canada requested to work with the Equine Canada Breeds & Industry Division to encourage a better working relationship between the breeders and the disciplines that would leave us with a stronger "win-win" relationship. The goal is to achieve this or more within the next twelve months.
11. *Breeder of the Year* awards need to be developed in Canada.