

November 2012

Expert Elicitation in Support of the Economic Analysis of the Tennessee Walking and Racking Horse Industry

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Final Report

Prepared for

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Contents

Section	Page
1 Introduction	1-1
1.1 Background and Purpose	1-2
1.2 Organization of this Report	1-2
2 Expert Elicitation Methodology	2-1
2.1 General Overview	2-1
2.2 Expert Elicitation Materials	2-3
2.2.1 Stated Purpose of the Expert Elicitation	2-4
2.2.2 Key Assumptions and Definitions for the Expert Elicitation	2-5
2.3 Participants on the Expert Elicitation Panel	2-5
2.4 Expert Elicitation Process	2-7
2.5 References	2-8
3 Expert Elicitation Results	3-1
3.1 Estimates of the Scale of the Tennessee Walking and Racking Horse Industry	3-1
3.1.1 Number of Tennessee Walking and Racking Horses and Show Participation	3-2
3.1.2 Number of Tennessee Walking and Racking Horse Owners	3-3
3.1.3 Number of Exhibitors, Trainers, and Show Operators Associated with the Tennessee Walking and Racking Horse Industry	3-5
3.2 Costs and Revenues Associated with Owning and Training a Tennessee Walking or Racking Show Horse	3-6
3.2.1 Annual Show Horse Trainer Compensation	3-7

3.2.2	Value of Tennessee Walking or Racking Show Horses	3-8
3.2.3	Revenue Derived from Tennessee Walking and Racking Show Horses	3-10
3.2.4	Costs of Owning and Training a Tennessee Walking or Racking Show Horse.....	3-13
3.3	Estimates of the Scale of Tennessee Walking and Racking Horse Shows	3-18
3.3.1	Number of Tennessee Walking and Racking Horse Shows	3-18
3.3.2	Revenue Derived From Each HIO-Affiliated Tennessee Walking or Racking Horse Show	3-19
3.3.3	Costs Associated with Operating and Managing an HIO-Affiliated Tennessee Walking or Racking Horse Show.....	3-21
3.4	Economic Impact of the Tennessee Walking and Racking Horse Industry	3-26

Appendix

Appendix A: Expert Elicitation Materials
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A-1

Tables

Number	Page
2-1 Overview of General Steps for Conducting an Expert Elicitation	2-2
3-1 Number of Tennessee Walking and Racking Horses, Percent of Horses that Participate in Shows, and Calculated Number of Show Horses by Region, 2012	3-3
3-2 Number of Tennessee Walking and Racking Horse Owners, Percent of Horse Owners that Participate in Shows, and Calculated Number of Show Horse Owners by Region, 2012.....	3-4
3-3 Number of Entities Associated with the Tennessee Walking and Racking Horse Industry, 2012.....	3-6
3-4 Estimates of Annual Tennessee Walking or Racking Horse Trainer Compensation by Region, 2012.....	3-8
3-5 Estimates of the Value of a Tennessee Walking or Racking Horse that Actively Participates in Shows by Region, 2012	3-9
3-6 Estimates of Total Revenue Derived Over the Lifetime of a Tennessee Walking or Racking Horse that has Previously Participated in Shows by Region, 2012	3-11
3-7 Distribution of Revenue Derived Over the Lifetime of a Tennessee Walking or Racking Horse that has Previously Participated in Shows by Region, 2012.....	3-11
3-8 Estimated Revenue Derived Over the Lifetime of a Tennessee Walking or Racking that has Previously Participated in Shows by Category and by Region, 2012...	3-123
3-9 Estimates of Annual Costs of Owning and Training Tennessee Walking or Racking Show Horse by Region, 2012	3-14
3-10 Proportion of Costs of Owning and Training a Tennessee Walking or Racking Show Horse by Cost Category and Region, 2012	3-15

3-11	Estimated Costs of Owning and Training a Tennessee Walking or Racking Show Horse by Cost Category and Region	3-17
3-12	Annual Number of Tennessee Walking and Racking Horse Shows and the Proportion that are HIO-Affiliated by Region, 2012.....	3-19
3-13	Estimates of Total Revenue from an HIO-affiliated Tennessee Walking or Racking Horse Show by Region, 2012	3-20
3-14	Estimates of the Costs of Operating an HIO-affiliated Tennessee Walking or Racking Horse Show by Region, 2012	3-22
3-15	Estimates of Costs of On-Site Veterinarians for a Tennessee Walking or Racking Horse Show by Region, 2012	3-23
3-16	Estimates of Costs of On-Site Farriers for a Tennessee Walking or Racking Horse Show by Region, 2012	3-24
3-17	Estimates of Costs of Inspectors (or Designated Qualified Personnel) for a Tennessee Walking or Racking Horse Show by Region, 2012	3-26

1

Introduction

The U.S. Department of Agriculture (USDA), Animal and Plant Health Inspection Service (APHIS) is responsible for protecting the health and value of U.S. agriculture and natural resources, by working with federal and state agencies, customers, and stakeholders to promote the health of animal and plant resources, to facilitate their movement in the global marketplace, and to ensure abundant agricultural products and services for U.S. customers. APHIS is the lead agency in guarding against the introduction or reemergence of animal and plant pests and diseases that could limit agricultural production and damage export markets. It monitors and responds to invasive species, diseases of plants and animals, conflicts between humans and wildlife, and potential acts of agricultural bioterrorism. APHIS also addresses sanitary and phytosanitary trade issues and ensures that biotechnology-derived agricultural products are safe for release into the environment.

Another principal APHIS responsibility is enforcement of the Animal Welfare and Horse Protection Acts. APHIS provides leadership in determining standards of humane care and treatment of animals. APHIS implements those standards and achieves compliance through inspection, education, cooperative efforts, and enforcement. In anticipation of revision of the horse protection regulations, APHIS found that information needed regarding the size and scale of the Tennessee Walking and Racking Horse industry is not widely published or available.

In May 2012, APHIS contracted with RTI International to design and conduct an expert elicitation to collect data necessary to assess the economic status of the Tennessee Walking and Racking Horse industry. Based on information needs identified by APHIS, we developed expert elicitation materials, recruited qualified experts, conducted the expert elicitation, and prepared this report. This report describes the background and

objectives of the expert elicitation, describes the methodology used for conducting the expert elicitation, and provides a summary of the results.

1.1 BACKGROUND AND PURPOSE

This project focused on obtaining information needed to analyze the economic status of the Tennessee Walking and Racking horse industry.

APHIS is responsible for implementing regulations to ensure the welfare of Tennessee Walking and Racking Horses and analyzing the potential impact of regulatory changes on affected entities. However, information is limited regarding the size and scale of the industry. Thus, to help address the current gaps in available information, the purpose of this task order was to conduct an expert elicitation to obtain data needed for APHIS to assess the economic impact of the Tennessee Walking and Racking Horse industry in areas where the industry is prevalent.

1.2 ORGANIZATION OF THIS REPORT

The remainder of this report is organized as follows. Section 2 describes the methodology for the expert elicitation, including the development of materials and selection of experts, and Section 3 summarizes the results of the expert elicitation. Appendix A provides the materials used for conducting the expert elicitation including the project description, expert elicitation worksheet, and clarifications provided during the process.

2

Expert Elicitation Methodology

This section describes the methodology RTI used for conducting the expert elicitation to collect data needed to determine the economic impact of the Tennessee Walking and Racking Horse industry. We begin with a general overview of expert elicitation processes, discuss the development of the materials for the expert elicitation, explain the selection of experts to serve on the panel, and describe the process for conducting the expert elicitation.

2.1 GENERAL OVERVIEW

Expert judgment (or elicitation) refers to data provided by experts in response to a technical problem and is used when it would be too costly or impractical to measure a quantity of interest through other means (Meyer and Booker, 2001). The information obtained through the expert elicitation process is informed opinion based on experts' training and experience.

Several different processes can be used for conducting expert elicitations depending on the type and format of information to be obtained, the types and number of experts needed to participate, whether the elicitation is conducted remotely or in person, and how the information is combined across experts. Table 2-1 provides a very general overview of the process RTI uses. When conducting an expert elicitation, we tailor the process to meet the specific information needs for each project.

Table 2-1. Overview of General Steps for Conducting an Expert Elicitation

Step 1. Develop Expert Elicitation Materials. We prepare the following set of materials:

- background information for the expert panel members—provides a project description, the objectives of the expert elicitation, and information to aid in recruiting the experts;
- categorization of the commodities, pests, diseases, processes, or other attributes needed for the expert elicitation—identifies the units of analysis for the model and provides the categories to be included in the worksheets for data collection;
- facilitator guide for conducting the expert elicitation—helps the facilitator guide the experts through the expert elicitation process; and
- worksheets to collect expert judgment estimates—provides the structured format for gathering estimates from the experts according to the categorizations of commodities, pests, diseases, processes, or other attributes (worksheets are pretested with RTI staff who are not involved in developing the worksheets).

Step 2. Identify and Recruit Experts. We then identify and recruit the individuals to serve on each expert panel as follows:

- determine clearly defined criteria for selecting the panelists such as technical background and discipline, relevant experience, industry sector, and time availability;
- compile a list of potential candidates based on our literature review, talking with industry experts, and using our extensive network of expert consultants in academia and industry;
- ask each candidate to complete a form that collects self-ratings of their knowledge and experience relative to the study and to provide their curriculum vitae (CVs);
- based on our reviews of the self-ratings, the CVs, and the availability of the potential candidates, we select the individuals for each expert panel; and
- establish consulting agreements for panel participation with each individual who agrees to participate in the elicitation.

Step 3. Conduct the Expert Elicitation. We conduct the expert elicitation using the process developed for each individual project. The expert elicitation may be conducted in one round or two rounds (Delphi technique). The general process for an expert elicitation conducted by teleconference (to minimize travel costs) is as follows:

- schedule teleconference with the experts and e-mail or express mail elicitation materials;
- conduct teleconference following the facilitator guide developed in Step 1 (including reviewing the worksheets);
- experts independently complete the worksheets and e-mail or fax the responses back to RTI; and
- if a second round is conducted, we summarize the experts' responses, e-mail or express mail the tabulated responses and revised worksheets back to the experts, and ask the experts to complete a second round of estimates while considering the tabulated responses of the entire panel.

Step 4. Tabulate and Analyze the Results. After we obtain all final worksheets from the experts, we enter the results into a data set, prepare summaries, analyze the results, and prepare the inputs needed for the model or other purpose.

In conducting an expert elicitation, it is important to convey to the experts the general philosophy for using expert elicitation as a data collection method. In particular, experts may be concerned that their responses are opinions rather than actual data. We instruct the experts to use whatever data are available to them, but in cases where data are unavailable, their expert opinions are the next-best option. Because specific

data are needed to conduct preliminary analyses of policies, experts' informed opinions are often the best available information source. Experts are often more comfortable with the expert elicitation concept if they understand that the information they provide will be combined with that of other experts and that the information will be used as starting-point values for additional refinement as new information becomes available.

2.2 EXPERT ELICITATION MATERIALS

The primary materials prepared for the expert elicitation included the following:

- Recruitment e-mail—used to introduce potential participants to the project and obtain an expression of interest in participating and information on the expert for determining his or her qualifications
- Project description and interest form—provided more detailed information on the expert elicitation process and requested specific information from the experts
- Expert elicitation worksheet—completed by the experts to provide responses to expert elicitation questions (also included a statement of purpose, key definitions and assumptions, and instructions for completing the worksheet)
- Clarifications—as needed, follow-up information provided to the experts following discussions during teleconferences

In Appendix A, we provide copies of the project description, interest form, and expert elicitation worksheet. Because the experts raised several questions about the expert elicitation worksheet during the teleconferences, we prepared a list of clarifications, which is also included in Appendix A.

We developed the worksheet in consultation with APHIS beginning with a list of information needed to conduct an accurate economic impact analysis of activities associated with the Tennessee Walking and Racking Horse industry. APHIS requested specific information on the number of entities involved in Tennessee Walking and Racking Horse industry activities and the revenues and costs derived from those activities by geographic region.

For each information need, we formulated the specific wording of the question and the format for the experts' responses. For this expert elicitation, the format of the responses was in numeric, percentage, and dollar values that could be combined to obtain a range of estimates for the number of entities actively involved in the Tennessee Walking and Racking Horse industry. To allow for the maximum utility of the responses, most questions were designed to provide numerical responses that could be summarized and combined across experts. In other words, we avoided open-ended questions with written responses. However, we also asked experts to provide comments regarding their perception of trends in the industry. In other words, we asked if the number of entities in the Tennessee Walking and Racking Horse industry has increased, decreased, or stayed the same over the past 3 to 5 years.

After developing the initial worksheet, APHIS reviewed and commented on the worksheet both in terms of the information content of each question and the specific wording and clarity of each question. Through subsequent rounds of internal review, we further developed and refined the worksheet.

We also reviewed the draft worksheet with Mr. Timothy Capps, Equine Business Program, University of Louisville. During a conference call, Mr. Capps provided suggestions to clarify the background and assumptions, wording of the questions, and the format of the response items. Based on Mr. Capps' feedback, we prepared a final version of the worksheet for review and approval by APHIS.

In addition to the worksheet, we also prepared a list of talking points to use as a moderator's guide for conducting the teleconference with experts at the initiation of the expert elicitation. The talking points covered the purpose of the panel, the purpose of the call, the philosophy of the expert elicitation approach, definitions and assumptions underlying the questions, how to complete and return the worksheet, and the timeline for completion and review.

2.2.1 Stated Purpose of the Expert Elicitation

The focus of the expert elicitation was on the size and scale of the Tennessee Walking and Racking Horse industry. In the expert elicitation worksheet, we stated the overall purpose of the expert elicitation to inform the experts and provide the

overall context of the exercise. The purpose was stated as follows:

The overall purpose of this expert elicitation is to provide the necessary information to USDA to conduct an accurate economic impact analysis of activities associated with the Tennessee Walking and Racking Horse industry.

2.2.2 Key Assumptions and Definitions for the Expert Elicitation

Because of the importance of ensuring that the experts provided responses from a common frame of reference, we provided key assumptions and definitions as background. First, we asked experts to consider the following entities when responding to questions concerning the size and scale of the Tennessee Walking and Racking Horse industry:

- **Owners**—Owners of Tennessee Walking Horses or Racking Horses
- **Show Horse**—Tennessee Walking or Racking Horse that actively participates in shows, includes both performance and pleasure horses
- **Exhibitors**—Individuals who show Tennessee Walking or Racking Horses in Walking Horse shows
- **Trainers**—Individuals who train Tennessee Walking or Racking Horses in preparation for Walking and Racking Horse shows
- **Show Operators**—Individuals who organize and manage Tennessee Walking or Racking Horse shows

We also asked experts to consider the following regions where the Tennessee Walking and Racking Horse industry is most prevalent:

- **Ohio Valley**—Indiana, Kentucky, Ohio, and Tennessee
- **Southeast**—Alabama, Florida, Georgia, Mississippi, Missouri, North Carolina, South Carolina, Texas, and Virginia
- **West**—California, Colorado, Montana, Nevada, Oregon, and Washington

2.3 PARTICIPANTS ON THE EXPERT ELICITATION PANEL

We developed an initial list of 31 potential experts to serve on the expert elicitation panel based on Internet searches,

identification of authors of relevant articles, and recommendations from a variety of sources. After a review of the experts' credentials, we selected 7 experts and contacted each of them using the initial recruitment letter to determine their interest. APHIS reviewed the list and approved all 7 experts.¹ The experts received an honorarium for their participation.

All of the experts have general knowledge of the costs of owning and training a horse and the overall scale of the industry. Some experts had specific knowledge of the costs and revenues associated with managing and operating Tennessee Walking and Racking Horse shows. Based on their own self-assessments using a scale of 1 = minimal/none, 2 = moderate, and 3 = extensive experience and knowledge, the experts' average level of experience and knowledge by region was as follows:

- Scale of the Tennessee Walking and Racking Horse industry:
 - Ohio Valley: 2.8
 - Southeast: 2.2
 - West: 1.6
- Costs of owning and training a Tennessee Walking or Racking Horse that actively participates in shows:
 - Ohio Valley: 2.6
 - Southeast: 2.0
 - West: 2.0
- Costs of managing and operating a Tennessee Walking and Racking Horse show:
 - Ohio Valley: 2.4
 - Southeast: 2.0
 - West: 1.4

For all topics, with the exception of questions related to information specific to the western portion of the United States, multiple experts indicated 3 for extensive experience and knowledge.

¹ After the initial teleconference, one expert withdrew from the panel citing lack of interest. Another expert acknowledged a lack of experience to answer all worksheet questions. Therefore the responses of these two experts are excluded from the results.

It should be noted that the experts provided responses to the elicitation questions based on their own experience and knowledge of the Tennessee Walking and Racking Horse industry. In some cases, the experts may have had access to trade association databases or other industry contacts that were used to inform their responses. In other cases, the experts provided best estimates from a more subjective viewpoint.

2.4 EXPERT ELICITATION PROCESS

The expert elicitation was completed using two rounds. In the first round, we conducted a teleconference asking the experts to complete their worksheets independently and provide them to RTI. A few days prior to the teleconference, we provided the experts with the worksheet, which includes an overview, key definitions and assumptions, instructions, and response fields. We conducted the initial teleconference on September 6, 2012, to review the worksheet and discuss any questions or concerns of the experts. We clarified most questions during the call, but some questions required additional input from APHIS. Following the teleconference, we clarified the remaining issues with APHIS and provided the list of clarifications to the experts shortly after the teleconference (see Appendix A for the list of clarifications).

Most of the worksheets were completed and returned by September 14, 2012, and all the worksheets were completed and returned by September 18, 2012. The individual responses were entered into an Excel spreadsheet, and we then calculated minimum, maximum, mean, and median responses for each question.

In the second round, we provided the experts their individual responses and the minimum, maximum, mean, and median of the responses across all six experts and asked them to review their responses in light of the aggregated estimates. We then conducted a second teleconference with the experts on September 26, 2012, to review and discuss their responses. In cases in which their responses differed substantially from the other experts, we asked the experts to discuss why their responses might be different. In addition, some experts realized they misinterpreted questions regarding revenue from industry activities. For example, some experts provided estimates of net

revenue (e.g. revenue after accounting for all costs) instead of total revenue. Following the second teleconference, the experts were provided with an opportunity to revise their estimates in light of this clarification, others' responses, and the discussion during the teleconference. The revised estimates were all received by October 6, 2012, and entered into an Excel spreadsheet, and responses were calculated to reflect any revisions that were made. The final aggregated responses are described in Section 3.

2.5 REFERENCES

Meyer, M.A. and J.M. Booker. 2001. *Eliciting and Analyzing Expert Judgment: A Practical Guide*. San Diego: Academic Press.

3

Expert Elicitation Results

In addition to the summary of the results provided in this section, we provided APHIS the detailed responses and review comments from the experts in an Excel spreadsheet. Analysts using these results will want to consider the detailed information in the worksheet to help guide the use of the information in analyses.

This section provides the results of the expert elicitation. We present both mean and median values in the report tables, but the discussion of the results focuses on the median values of the responses from the set of experts. Median values, which represent the midpoint of the combined responses, were chosen as the focus of the discussions throughout the results section to maintain consistency and to reduce the influence of occasional outlier values. For many of the questions, the mean and median values are relatively similar. We note cases in which outliers in the responses cause the mean and median values to differ substantially.

The worksheet responses are grouped into four subsections: (1) estimates of the scale of the Tennessee Walking and Racking Horse industry, (2) the revenues and costs associated with owning and training a Tennessee Walking or Racking Horse that actively participates in shows, (3) the revenues and costs associated with operating and managing a Tennessee Walking or Racking Horse show, and (4) the opinion of the experts regarding the economic impact of the Tennessee Walking and Racking Horse industry on local economies. We present a summary of their responses to each set of questions below.

3.1 ESTIMATES OF THE SCALE OF THE TENNESSEE WALKING AND RACKING HORSE INDUSTRY

This section outlines responses to questions regarding the overall scale of the Tennessee Walking and Racking Horse industry. Experts were provided with data and information publicly available from USDA and state-level reports and information published by various industry organizations within

the worksheet. For each of the entities presented below, industry-associated entities may be categorized more than once. For instance, an individual may own, train, and exhibit Tennessee Walking or Racking Horses.

3.1.1 Number of Tennessee Walking and Racking Horses and Show Participation

Experts estimated that approximately 40% of all Tennessee Walking and Racking Horses are not registered in horse breed registries. These horses are typically not shown in horse shows.

This section outlines responses to questions regarding the number of Tennessee Walking and Racking Horses and the proportion of those horses that actively participate in shows. Some experts had access to data from breed registries, in which case developed their estimates by assuming a 25-year average lifespan of a horse plus an additional 40% to account for horses not registered with the breed registry. Using median values, the estimated number of Tennessee Walking and Racking Horses and the percentage and number that participate in shows by geographic region, as shown in Table 3-1, are as follows:

- In the Ohio Valley region, there are an estimated 120,000 Tennessee Walking and Racking Horses, of which 6%, or 7,200, actively participate in shows.
- In the Southeast region, there are an estimated 65,000 Tennessee Walking and Racking Horses, of which 6%, or 3,900, actively participate in shows.
- In the West region, there are an estimated 15,500 Tennessee Walking and Racking Horses, of which 2%, or 310, actively participate in shows.

Trend in the Number of Tennessee Walking and Racking Horses

Experts were asked whether the number of Tennessee Walking and Racking Horses has increased, decreased, or stayed the same over the past 3 to 5 years. The experts who responded to this question agreed that the number of Tennessee Walking and Racking Horses has decreased. One expert provided breed registry numbers that indicate that the number of horses has decreased approximately 30% from the number of horses 3 years ago. This expert said, "Five years ago, the average one night show had 15 [horses] in a class; today, [a class] might have 3–8 [horses] on average."

Table 3-1. Number of Tennessee Walking and Racking Horses, Percentage of Horses that Participate in Shows, and Calculated Number of Show Horses by Region, 2012

	Median	Mean
Ohio Valley		
Number of Tennessee Walking and Racking Horses	120,000	111,285
Percentage that participate in shows	6.0%	6.6%
<u>Calculated</u> number of show horses	7,200	7,345
Southeast		
Number of Tennessee Walking and Racking Horses	65,000	69,092
Percentage that participate in shows	6.0%	6.8%
<u>Calculated</u> number of show horses	3,900	4,698
West		
Number of Tennessee Walking and Racking Horses	15,500	16,664
Percentage that participate in shows	2.0%	3.2%
<u>Calculated</u> number of show horses	310	533

3.1.2 Number of Tennessee Walking and Racking Horse Owners

This section outlines responses to questions regarding the number of Tennessee Walking and Racking Horse owners and the proportion of those horse owners who actively participate in shows. Some experts had access to records from other sources such as trade associations (e.g., Walking Horse Owners Association) and based on their knowledge they also accounted for owners with unregistered horses. Another expert assumed an average of 2.5 horses per owner in developing their estimates, stating that many owners have brood mares that are not shown in horse shows, in addition to other owners who own horses primarily for trail riding. The estimated number of Tennessee Walking and Racking Horse owners and the percentage and number who actively participate in shows by geographic region, as shown in Table 3-2, are as follows:

- In the Ohio Valley region, there are an estimated 6,216 Tennessee Walking and Racking Horse owners, of whom 15%, or 932, actively participate in shows. (The median estimate of Tennessee Walking and Racking Horse owners is substantially less than the mean because one expert provided an estimate of 15,000 horse owners.)

- In the Southeast region, there are an estimated 5,810 Tennessee Walking and Racking Horse owners, of whom 15%, or 872, actively participate in shows.
- In the West region, there are an estimated 1,309 Tennessee Walking and Racking Horse owners, of whom 5%, or 65, actively participate in shows.

Table 3-2. Number of Tennessee Walking and Racking Horse Owners, Percentage of Horse Owners that Participate in Shows, and Calculated Number of Show Horse Owners by Region, 2012

	Median	Mean
Ohio Valley		
Number of Tennessee Walking and Racking Horse owners ^a	6,216	8,518
Percentage that participate in shows	15.0%	15.2%
<u>Calculated</u> number of show horse owners	932	1,295
Southeast		
Number of Tennessee Walking and Racking Horse owners	5,810	6,400
Percentage that participate in shows	15.0%	13.2%
<u>Calculated</u> number of show horse owners	872	845
West		
Number of Tennessee Walking and Racking Horse owners	1,309	2,248
Percentage that participate in shows	5.0%	6.0%
<u>Calculated</u> number of show horse owners	65	135

^a The median is substantially less than the mean because one expert provided an estimate of 15,000 Tennessee Walking and Racking Horse owners in the Ohio Valley region.

Based on follow-up comments and discussions with experts, the primary source of variation in responses for the numbers of Tennessee Walking and Racking Horse owners appears to be due to the method used to account for unregistered horses. An expert in the Southeast indicated that most Racking Horses, which are most prevalent in the Southeast, are unregistered and not shown in horse shows. However, another expert indicated that most horses in the West are registered in the breed registry.

Trend in the Number of Tennessee Walking and Racking Horse Owners

Experts were asked whether the number of Tennessee Walking and Racking Horse owners has increased, decreased, or stayed

the same over the past 3 to 5 years. The experts who responded to this question agreed that the number of Tennessee Walking and Racking Horse owners has decreased during this period, and the median estimate for this decline was approximately 40%. Based on discussions with the experts, this decline is primarily attributed to the poor economy in areas where Tennessee Walking and Racking Horses are prevalent.

3.1.3 Number of Exhibitors, Trainers, and Show Operators Associated with the Tennessee Walking and Racking Horse Industry

Trainers of Walking or Racking Horses may also own show horses and/or exhibit show horses.

Other entities associated with the Tennessee Walking and Racking Horse industry include exhibitors of Tennessee Walking and Racking Horses, trainers, and show operators. These individuals may also own Tennessee Walking or Racking show horses; therefore, the estimates of exhibitors, trainers, and show operators provided in this section may not be mutually exclusive from the estimates of horse owners provided in the previous section.

The estimated numbers of exhibitors, trainers, and show operators associated with the Tennessee Walking and Racking Horse industry were relatively consistent among experts, and most agreed that the number of these entities has declined over the past 3 to 5 years. One expert indicated that, although there are more horse industry organizations now compared to 3 to 5 years ago, there are fewer members per organization.

Number of Exhibitors of Tennessee Walking and Racking Show Horses

Using the medians, the estimated numbers of exhibitors of Tennessee Walking and Racking show horses by geographic region, as shown in Table 3-3, are as follows:

- Ohio Valley region: 3,700
- Southeast region: 3,000
- West region: 307

Table 3-3. Number of Entities Associated with the Tennessee Walking and Racking Horse Industry, 2012

	Median	Mean
Numbers of exhibitors		
Ohio Valley	3,700	3,121
Southeast	3,000	2,517
West	307	353
Numbers of trainers		
Ohio Valley	301	326
Southeast	139	123
West	18	30
Numbers of show operators		
Ohio Valley	210	254
Southeast	150	126
West	33	30

Number of Trainers of Tennessee Walking and Racking Show Horses

Using the medians, the estimated numbers of trainers of Tennessee Walking and Racking show horses by geographic region, as shown in Table 3-3, are as follows:

- Ohio Valley region: 301
- Southeast region: 139
- West region: 18

Number of Tennessee Walking and Racking Horse Show Operators

Using the medians, the estimated numbers of Tennessee Walking and Racking Horse show operators by geographic region, as shown in Table 3-3, are as follows:

- Ohio Valley region: 210
- Southeast region: 150
- West region: 33

3.2 COSTS AND REVENUES ASSOCIATED WITH OWNING AND TRAINING A TENNESSEE WALKING OR RACKING SHOW HORSE

This section outlines responses to questions on the costs and revenues associated with owning and training a Tennessee

Walking and Racking show horse. Experts were asked to estimate the annual show horse trainer compensation, total value of a show horse, total revenue derived from owning a Tennessee Walking or Racking Horse that has previously participated in shows, and the annual costs of owning and training a Tennessee Walking or Racking Horse.

3.2.1 Annual Show Horse Trainer Compensation

Mean estimates are calculated across all experts that provided a response, including \$0 estimates, where applicable.

According to the experts, trainers of Tennessee Walking or Racking show horses typically provide and charge owners for services in addition to training. These services include housing and boarding for the horse, show participation fees, and transportation to and from horse shows. In addition, annual trainer compensation largely depends on the number of horses the trainer is able to board and train simultaneously. Some highly reputable trainers train up to 25 horses at one time, earning an annual compensation near the top of the range provided by the experts. In comparison, some trainers train as a hobby and are compensated minimally.

With this in mind, experts were asked to estimate the minimum, most common, and maximum net annual trainer compensation, excluding all other nontraining-related revenue. In other words, we asked for estimates of the amount that trainers “take home” each year net of all other costs for boarding and showing horses. Using the medians, the estimated net annual trainer compensation by region, as shown in Table 3-4, is as follows:

- Trainer compensation in the Ohio Valley ranges between \$0 and \$180,000 per year, and the most common annual trainer compensation is \$40,000.
- Trainer compensation in the Southeast ranges between \$0 and \$100,000 per year, and the most common annual trainer compensation is \$40,000.
- Trainer compensation in the West ranges between \$0 and \$225,000 per year, and the most common annual trainer compensation is \$35,000.

Table 3-4. Estimates of Annual Tennessee Walking or Racking Horse Trainer Compensation by Region, 2012

	Median	Mean
Minimum annual trainer compensation^a		
Ohio Valley	\$0	\$11,000
Southeast	\$0	\$10,000
West	\$0	\$7,000
Most Common annual trainer compensation		
Ohio Valley	\$40,000	\$37,000
Southeast	\$40,000	\$36,000
West	\$35,000	\$38,000
Maximum annual trainer compensation		
Ohio Valley	\$180,000	\$157,600
Southeast	\$100,000	\$133,600
West	\$225,000	\$193,200

^aThe mean is substantially higher than the median because one expert provided estimates of \$30,000 minimum annual compensation for Tennessee Walking and Racking Horse trainers in the Ohio Valley region, \$30,000 minimum annual compensation in the Southeast region, and \$20,000 minimum annual compensation in the West region. In contrast, some experts provided estimates of \$0.

Based on discussions with the experts, trainers receive income from training, successfully showing, and selling horses. One expert indicated that some trainers charge brokers fees of up to 20% of the sale of the horse. In addition, the estimated maximum annual compensation for trainers in the West was greater than the other two regions primarily because of the increased cost of living based on where these trainers are located.

3.2.2 Value of Tennessee Walking or Racking Show Horses

The estimated minimum, maximum, and most common values of a Tennessee Walking or Racking show horse were relatively consistent among the experts. According to the experts, much of the value of the elite Tennessee Walking and Racking show horses is attributed to the returns those horses generate from breeding enterprises. Using the medians, the estimated minimum, maximum, and most common values of a Tennessee Walking or Racking Horse by region, as shown in Table 3-5, are as follows:

Table 3-5. Estimates of the Value of a Tennessee Walking or Racking Horse that Actively Participates in Shows by Region, 2012

	Median	Mean
Minimum value per horse		
Ohio Valley	\$2,500	\$2,370
Southeast	\$2,500	\$2,040
West	\$3,000	\$2,440
Most Common value per horse		
Ohio Valley	\$8,500	\$8,400
Southeast	\$7,500	\$7,500
West	\$8,000	\$8,700
Maximum value per horse		
Ohio Valley	\$500,000	\$530,100
Southeast	\$500,000	\$334,000
West	\$500,000	\$327,000

- The value of show horses in the Ohio Valley range between \$2,500 and \$500,000, and the most common value of a show horse is \$8,500.
- The value of show horses in the Southeast range between \$2,500 and \$500,000, and the most common value of a show horse is \$7,500.
- The value of show horses in the West range between \$3,000 and \$500,000, and the most common value of a show horse is \$8,000.

The experts agreed that the value of show horses has decreased over the past 3 to 5 years. One expert indicated that “a decade ago, the minimum value of a horse that could compete and win a ribbon was valued in the \$12,000 to \$15,000 price range,” further stating that, “the [value of the] horses in this market range have decreased significantly to the point that the most common value horse is now marketable in the value range of a minimum value horse a decade ago.” Another expert indicated that, although the overall value of show horses has decreased in the last few years, the value of the elite-performing horses has not decreased as much as other show horses.

3.2.3 Revenue Derived from Tennessee Walking and Racking Show Horses

The minimum, maximum, and most common estimates of the total revenue derived over the lifetime of a Tennessee Walking or Racking Horse that has previously participated in shows were relatively consistent among the experts. According to the experts, the majority of revenue from Tennessee Walking and Racking Horses occurs once the horse is used for breeding and no longer participates in shows.

Using the medians, the estimated minimum, maximum, and most common total revenues derived over the lifetime of a Tennessee Walking or Racking Horse that has previously participated in shows by region, as shown in Table 3-6, are as follows:

- The total revenue from a previously active show horse in the Ohio Valley ranges between \$0 and \$4,000,000, and the most common revenue from a previously active show horse is \$8,000.

Table 3-6. Estimates of Total Revenue Derived Over the Lifetime of a Tennessee Walking or Racking Horse that Has Previously Participated in Shows by Region, 2012

	Median	Mean
Minimum revenue per horse		
Ohio Valley	\$0	\$40
Southeast	\$0	\$40
West	\$0	\$20
Most Common revenue per horse		
Ohio Valley	\$8,000	\$6,240
Southeast	\$7,000	\$5,830
West	\$5,000	\$7,130
Maximum revenue per horse		
Ohio Valley	\$4,000,000	\$3,810,000
Southeast ^a	\$900,000	\$1,392,000
West ^a	\$600,000	\$779,000

^a The median is substantially less than the mean because one expert provided an estimate of \$10,000 maximum total revenue derived from a Tennessee Walking and Racking Horse in the Southeast region and \$5,000 in the West region. In contrast, some experts provided estimates of at least \$2,500,000.

- The total revenue from a previously active show horse in the Southeast ranges between \$0 and \$900,000, and the most common revenue from a previously active

show horse is \$7,000. (The median maximum estimate of the total revenue from a previously active show horse in the Southeast is substantially less than the mean because one expert provided an estimate of \$3,500,000.)

- The total revenue from a previously active show horse in the West ranges between \$0 and \$600,000, and the most common revenue from a previously active show horse is \$5,000. (The maximum estimate of the total revenue from a previously active show horse in the West is substantially less than the mean because one expert provided an estimate of \$5,000.)

Distribution of Lifetime Show Horse Revenue by Source

The estimated proportions of revenue by source were generally consistent among the experts.² The rescaled proportions of revenue by source for a previously active show horse are shown in Table 3-7.

Table 3-7. Distribution of Revenue Derived Over the Lifetime of a Tennessee Walking or Racking Horse that Has Previously Participated in Shows by Region, 2012

	Median ^a	Mean
Ohio Valley		
Prizes and show awards	2% (3%)	14%
Breeding (including colt sales and stud fees)	68% (97%)	86%
Southeast		
Prizes and show awards	2% (4%)	25%
Breeding (including colt sales and stud fees)	53% (96%)	75%
West		
Prizes and show awards	2% (6%)	33%
Breeding (including colt sales and stud fees)	30% (94%)	67%

^a The rescaled medians are shown in parentheses, for example, (25%). Estimates of the proportion of revenue by category were rescaled so that proportions sum to 100%. In addition, some experts added a line item for "sales," therefore those estimates were rescaled excluding this line item. Mean percentages are means of the rescaled proportions without the "sales" line item.

As shown in Table 3-7, using rescale medians, in the Ohio Valley, 97% of all revenue from a previously active show horse is generated from breeding with the remaining 3% from show prizes and awards. Similarly, in the Southeast, breeding

² Some experts added a line item for "sales;" however, for the purposes of this analysis, this category was omitted and the estimated proportions were rescaled without it.

Revenue from owning a Tennessee Walking or Racking Horse is primarily generated through breeding enterprises once the horse is retired from the show ring.

comprises 96% of all revenue from a previously active show horse with the remaining 4% from show prizes and awards.³ In the West, breeding generates 94% of all revenue from a previously active show horse with the remaining 6% from show prizes and awards.⁴

Estimates of Lifetime Show Horse Revenue by Category

Estimates of the revenue derived from a previously active Tennessee Walking or Racking show horse by category were calculated based on the median proportion of revenue derived over the lifetime of a Tennessee Walking or Racking Horse that has previously participated in shows, from Table 3-7, and the most common total revenue, from Table 3-6, by region. Using the median most common revenue estimates, the estimates of the revenue by category, as shown in Table 3-8, are as follows:

- The total revenue from prizes and show awards was \$225 in the Ohio Valley, \$269 in the Southeast, and \$313 in the West.
- The total revenue from breeding was \$7,775 in the Ohio Valley, \$6,731 in the Southeast, and \$4,688 in the West.

Based on discussion with the experts, one expert gave an example of an elite breeding stallion that was bred with approximately 300 mares per year for 7 years. This stallion generated a stud fee between \$1,000 and \$5,000 per mare bred. Such substantial revenue generation is extremely rare; however, experts say this is common among championship horses once they are retired for breeding.

³ The median proportion of revenue from show prizes is substantially less than the mean because one expert provided a rescaled estimate of 60%.

⁴ The median proportion of revenue from show prizes is substantially less than the mean because one expert provided a rescaled estimate of 70%.

Table 3-8. Estimated Revenue Derived Over the Lifetime of a Tennessee Walking or Racking Horse that Has Previously Participated in Shows by Category and by Region, 2012^a

	Median	Mean
Prizes and show awards revenue per horse		
Ohio Valley	\$225	\$176
Southeast	\$269	\$224
West	\$313	\$446
Breeding revenue per horse (including colt sales and stud fees)		
Ohio Valley	\$7,775	\$6,064
Southeast	\$6,731	\$5,606
West	\$4,688	\$6,684

^a Revenue by category is calculated based on the median and mean (respectively) most common revenue derived from a Tennessee Walking or Racking Horse that has previously participated in shows and the rescaled median of the percentage of costs by cost category by region.

3.2.4 Costs of Owning and Training a Tennessee Walking or Racking Show Horse

The minimum, most common, and maximum estimates of the annual costs of owning and training a Tennessee Walking or Racking show horse were relatively consistent among the experts. Using the medians, the estimated minimum, maximum, and most common annual costs of owning and training a Tennessee Walking or Racking show horse by region, as shown in Table 3-9, are as follows:

- The annual cost of owning and training a Tennessee Walking and Racking show horse in the Ohio Valley ranges between \$7,800 and \$70,000, and the most common annual cost is \$20,000.
- The annual cost of owning and training a Tennessee Walking and Racking show horse in the Southeast ranges between \$6,500 and \$50,000, and the most common annual cost is \$18,000.
- The annual cost of owning and training a Tennessee Walking and Racking show horse in the West ranges between \$7,500 and \$70,000, and the most common annual cost is \$15,000.

Table 3-9. Estimates of Annual Costs of Owning and Training Tennessee Walking or Racking Show Horse by Region, 2012

	Median	Mean
Minimum annual costs per horse		
Ohio Valley	\$7,800	\$6,360
Southeast	\$6,500	\$5,900
West	\$7,500	\$6,580
Most Common annual costs per horse		
Ohio Valley	\$20,000	\$19,800
Southeast	\$18,000	\$15,800
West	\$15,000	\$15,800
Maximum annual costs per horse		
Ohio Valley	\$70,000	\$61,440
Southeast	\$50,000	\$44,800
West	\$70,000	\$59,905

In follow-up discussions, experts indicated that the difference between the maximum annual cost and the minimum annual cost of owning and training a Tennessee Walking or Racking show horse is primarily due to the cost for advertising show horses in industry-specific publications prior to shows. Experts commented that this cost is “necessary” for “top show horses competing for world championship titles.”

Distribution of the Annual Costs of Owning and Training a Tennessee Walking or Racking Horse by Category

The estimated proportions of costs of owning and training a Tennessee Walking or Racking Horse by category were generally consistent among the experts. Using rescaled medians, the estimated proportions of cost by category and region, as shown in Table 3-10, are as follows:

- The cost for advertising comprises the largest portion of the annual cost of owning and training a Tennessee Walking and Racking show horse. An estimated 50%, 49%, and 26% of all costs go toward advertising in the Ohio Valley, Southeast, and West, respectively.
- An estimated 15%, 15%, and 21% of annual costs are for training in the Ohio Valley, Southeast, and West, respectively.

- Similarly, feed and supplements costs are approximately 10%, 10%, and 20% of annual costs in the Ohio Valley, Southeast, and West, respectively.
- Show participation costs, including transportation, comprise 10%, 10%, and 13% of annual costs in the Ohio Valley, Southeast, and West, respectively.

Table 3-10. Proportion of Costs of Owning and Training a Tennessee Walking or Racking Show Horse by Cost Category and Region, 2012

	Median ^a	Mean
Ohio Valley		
Feed and supplements	10% (10%)	16%
Housing (including boarding)	8% (8%)	7%
Training	15% (15%)	19%
Veterinary, medicine, and farrier services	6% (6%)	6%
Show participation costs (including transportation)	10% (10%)	14%
Insurance	2% (2%)	3%
Advertising	50% (50%)	35%
Southeast		
Feed and supplements	10% (10%)	17%
Housing (including boarding)	8% (8%)	7%
Training	15% (15%)	20%
Veterinary, medicine, and farrier services	7% (7%)	7%
Show participation costs (including transportation)	10% (10%)	13%
Insurance	2% (2%)	3%
Advertising	50% (49%)	32%
West		
Feed and supplements	19% (20%)	20%
Housing (including boarding)	10% (11%)	8%
Training	20% (21%)	22%
Veterinary, medicine, and farrier services	7% (7%)	8%
Show participation costs (including transportation)	12% (13%)	15%
Insurance	2% (2%)	3%
Advertising	25% (26%)	24%

^aThe rescaled medians are shown in parentheses, for example, (25%). Medians for questions that must sum to 100% were rescaled so that proportions sum to 100%.

- An estimated 8%, 8%, and 11% of annual costs are for housing in the Ohio Valley, Southeast, and West, respectively. Experts attributed the difference in housing costs in the West relative to other areas to the difference in land costs.
- The remaining costs for owning and training a Tennessee Walking or Racking show horse in the Ohio Valley, Southeast, and West are attributed to veterinary, medicine, and farrier services (6%, 7%, and 7%, respectively) and insurance (2%, 2%, and 2%, respectively).

Based on follow-up comments and discussions with the experts, differences among the regions in the proportions of costs are primarily due to differences in the amount spent on advertising. Experts generally agreed that “minimum-type” show horses do not advertise, and many indicated that horse owners in the West do not spend as much on advertising as owners in the Ohio Valley or Southeast. One expert indicated that, for elite show horses, approximately 65 to 70% of annual costs are for advertising.

***Estimates of the Costs of Owning and Training a
Tennessee Walking or Racking Show Horse by
Category***

Estimates of the annual costs of owning and training a Tennessee Walking or Racking show horse by category were calculated based on the rescaled median proportions of the annual costs of owning and training a Tennessee Walking or Racking show horse, from Table 3-10, and the most common annual cost, from Table 3-9, by region. Using the median most common cost estimates, the estimates of the costs by category, as shown in Table 3-11, are as follows:

- Advertising cost \$9,901, \$8,824, and \$3,947 each year for show horses in the Ohio Valley, Southeast, and West, respectively.
- Annual training costs are \$2,970, \$2,647, and \$3,158 in the Ohio Valley, Southeast, and West, respectively.
- Show participation costs, including transportation, are \$1,980, \$1,765, and \$1,895 each year in the Ohio Valley, Southeast, and West, respectively.
- The annual costs for feed and supplements costs are approximately \$1,980, \$1,765, and \$3,000 in the Ohio Valley, Southeast, and West, respectively.

Table 3-11. Estimated Most Common Costs of Owning and Training a Tennessee Walking or Racking Show Horse by Cost Category and Region^a

	Median	Mean
Ohio Valley (per horse)		
Feed and supplements	\$1,980	\$1,960
Housing (including boarding)	\$1,584	\$1,568
Training	\$2,970	\$2,941
Veterinary, medicine, and farrier services	\$1,188	\$1,176
Show participation costs (including transportation)	\$1,980	\$1,960
Insurance	\$396	\$392
Advertising	\$9,901	\$9,802
Total most common cost per horse: Ohio Valley	\$20,000	\$19,800
Southeast (per horse)		
Feed and supplements	\$1,765	\$1,549
Housing (including boarding)	\$1,412	\$1,239
Training	\$2,647	\$2,324
Veterinary, medicine, and farrier services	\$1,235	\$1,084
Show participation costs (including transportation)	\$1,765	\$1,549
Insurance	\$353	\$310
Advertising	\$8,824	\$7,745
Total most common cost per horse: Southeast	\$18,000	\$15,800
West (per horse)		
Feed and supplements	\$3,000	\$3,160
Housing (including boarding)	\$1,579	\$1,663
Training	\$3,158	\$3,326
Veterinary, medicine, and farrier services	\$1,105	\$1,164
Show participation costs (including transportation)	\$1,895	\$1,996
Insurance	\$316	\$333
Advertising	\$3,947	\$4,158
Total most common cost per horse: West	\$15,000	\$15,800

^a Costs by category were calculated based on the median and mean (respectively) most common costs of owning and training a Tennessee Walking or Racking show horse and the rescaled median of the percentage of costs by category by region. Totals may not sum due to rounding.

- Housing, including boarding, show horses costs \$1,584, \$1,412, and \$1,579 in the Ohio Valley, Southeast, and West, respectively.
- Veterinary, medicine, and farrier services for a show horse cost \$1,188, \$1,235, and \$1,105 in the Ohio Valley, Southeast, and West, respectively.

- The annual cost for insurance is \$396, \$353, and \$316 in the Ohio Valley, Southeast, and West, respectively.

3.3 ESTIMATES OF THE SCALE OF TENNESSEE WALKING AND RACKING HORSE SHOWS

This section discusses responses to questions regarding the number of Tennessee Walking and Racking Horse shows and the revenue and costs associated with them. Experts were asked to base their revenue and cost estimates on Tennessee Walking and Racking Horse shows that are affiliated with Horse Industry Organizations (HIOs). We present results for each of the following:

- number of Tennessee Walking and Racking Horse shows and the proportion of those that are affiliated with an HIO by region (Section 3.3.1)
- revenue derived per Tennessee Walking or Racking Horse show (Section 3.3.2)
- cost per Tennessee Walking or Racking Horse show, including per-show costs for on-site veterinarians, on-site farriers, and inspectors (Section 3.3.3)

3.3.1 Number of Tennessee Walking and Racking Horse Shows

This section outlines responses to questions regarding the number of Tennessee Walking and Racking Horse shows and the proportion of shows that are affiliated with an HIO. For context, experts were provided with the total number of HIO-affiliated shows by region provided by USDA's 2011 Designated Qualified Personnel (DQP) report. Using the medians, the estimated annual number of Tennessee Walking and Racking Horse shows and the percentage that are HIO affiliated by region, as shown in Table 3-12, are as follows:

- In the Ohio Valley region, there are an estimated 350 Tennessee Walking and Racking Horse shows, of which 71%, or 249, are HIO affiliated. (The median estimate of Tennessee Walking and Racking Horse shows is substantially less than the mean because one expert provided an estimate of 750 horse shows.)
- In the Southeast region, there are an estimated 215 Tennessee Walking and Racking Horse shows, of which 54%, or 116, are HIO affiliated.
- In the West region, there are an estimated 48 Tennessee Walking and Racking Horse shows, of which 66%, or 32 are HIO affiliated.

The estimates of HIO-affiliated shows are generally consistent with the reported number of affiliated shows from USDA’s 2011 DQP report. Examples of horse shows that may not be HIO affiliated include “saddle club” shows, 4-H shows, and shows with multiple breeds of gaited horses.

Table 3-12. Annual Number of Tennessee Walking and Racking Horse Shows and the Proportion that Are HIO Affiliated by Region, 2012

	Median	Mean
Ohio Valley		
Number of shows	350 ^a	438
Percentage of shows that are HIO-affiliated	71%	66%
<u>Calculated</u> number of shows that are HIO affiliated	249	290
Southeast		
Number of shows	215	248
Percentage of shows that are HIO affiliated	54%	58%
<u>Calculated</u> number of shows that are HIO affiliated	116	145
West		
Number of shows	48	43
Percentage of shows that are HIO affiliated	66%	63%
<u>Calculated</u> number of shows that are HIO affiliated	32	27

^aThe median is substantially lower than the mean because one expert provided an estimate of 750 Tennessee Walking and Racking Horse shows in the Ohio Valley region.

Trend in the Number of HIO-Affiliated Tennessee Walking and Racking Horse Shows

Experts were asked whether the number of HIO-affiliated Tennessee Walking and Racking Horse shows has increased, decreased, or stayed the same over the past 3 to 5 years. The experts who responded to this question agreed that the number of HIO-affiliated Tennessee Walking and Racking Horse shows has decreased during this period, and the median estimate for this decline is approximately 18%. One expert indicated that the poor economy, resulting in fewer sponsorships and the difficulty for many families to afford horses, as the reason for this decline.

3.3.2 Revenue Derived from Each HIO-Affiliated Tennessee Walking or Racking Horse Show

Experts were asked to estimate the minimum, maximum, and most common total revenues from an HIO-affiliated Tennessee

Walking or Racking Horse show. Revenue from horse shows may come from sponsorships, spectator and participation fees, and concessions. The estimated minimum, maximum, and most common total revenues from a Tennessee Walking or Racking Horse show by region, as shown in Table 3-13, are as follows:

Table 3-13. Estimates of Total Revenue from an HIO-Affiliated Tennessee Walking or Racking Horse Show by Region, 2012

	Median	Mean
Minimum revenue per show		
Ohio Valley	\$2,500	\$3,400
Southeast	\$2,500	\$3,500
West ^a	\$2,500	\$4,920
Most Common revenue per show		
Ohio Valley	\$15,000	\$14,300
Southeast	\$15,000	\$13,300
West ^a	\$10,000	\$14,900
Maximum revenue per show		
Ohio Valley	\$2,500,000	\$2,160,000
Southeast	\$60,000	\$66,000
West	\$30,000	\$24,200

^aThe median is substantially lower than the mean because one expert provided an estimates of \$18,000 minimum and \$36,000 most common total revenue from a Tennessee Walking and Racking Horse show in the West region.

- The total revenue from an HIO-affiliated Tennessee Walking or Racking Horse show in the Ohio Valley ranges between \$2,500 and \$2,500,000, and the most common total revenue is \$15,000.
- The total revenue from an HIO-affiliated Tennessee Walking or Racking Horse show in the Southeast ranges between \$2,500 and \$60,000, and the most common total revenue is \$15,000.
- The total revenue from an HIO-affiliated Tennessee Walking or Racking Horse show in the West ranges between \$2,500 and \$30,000, and the most common total revenue is \$10,000. (The median minimum and most common estimates of revenue from a Tennessee Walking and Racking Horse show are substantially less than their respective means because one expert provided estimates of \$18,000 and \$36,000, respectively.)

In follow-up discussions, experts indicated that shows with revenue in the lower ranges are typically charitable shows. The largest horse show is the National Celebration, which takes place yearly in the Ohio Valley, therefore the maximum revenue estimates for this region are substantially higher than the maximum revenue estimates in other regions. One expert indicated that the majority of the revenue generated from horse shows comes from the owners of Tennessee Walking and Racking Horses.

Trend in the Revenue from HIO-Affiliated Tennessee Walking and Racking Horse Shows

Experts were asked to comment on whether the revenue from HIO-affiliated Tennessee Walking and Racking Horse shows has increased, decreased, or stayed the same over the past 3 to 5 years. The experts who responded to this question agreed that the revenue from HIO-affiliated Tennessee Walking and Racking Horse shows has decreased during this period, and the median estimate for this decline was approximately 35%. One expert indicated that the largest horse show, the National Celebration, generated nearly twice as much revenue 5 years ago than it does today.

3.3.3 Costs Associated with Operating and Managing an HIO-Affiliated Tennessee Walking or Racking Horse Show

Experts were asked to estimate the minimum, maximum, and most common costs of operating and managing an HIO-affiliated Tennessee Walking or Racking Horse show. Costs associated with operating and managing a horse show include venue rental, liability insurance, HIO fees, food costs, and entertainment. The estimated minimum, maximum, and most common costs of operating and managing an HIO-affiliated Tennessee Walking or Racking Horse show by region, as shown in Table 3-14, are as follows:

- The total cost of operating and managing an HIO-affiliated Tennessee Walking or Racking Horse show in the Ohio Valley ranges between \$2,000 and \$1,500,000, and the most common total revenue is \$12,000.
- The total cost of operating and managing an HIO-affiliated Tennessee Walking or Racking Horse show in the Southeast ranges between \$2,000 and \$50,000, and the most common total revenue is \$10,500.
- The total cost of operating and managing an HIO-affiliated Tennessee Walking or Racking Horse show in

the West ranges between \$1,400 and \$20,000, and the most common total revenue is \$10,000.

Table 3-14. Estimates of the Costs of Operating an HIO-Affiliated Tennessee Walking or Racking Horse Show by Region, 2012

	Median	Mean
Minimum cost per show		
Ohio Valley	\$2,000	\$1,880
Southeast	\$2,000	\$1,880
West	\$1,400	\$1,420
Most Common cost per show		
Ohio Valley	\$12,000	\$10,800
Southeast	\$10,500	\$9,700
West	\$10,000	\$11,100
Maximum cost per show		
Ohio Valley	\$1,500,000	\$1,540,000
Southeast	\$50,000	\$47,000
West	\$20,000	\$22,000

As evident from the follow-up discussions with the experts, views on the revenue and costs of operating and managing an HIO-affiliated horse show differ substantially. The reason for this difference is likely due to geographic differences and varying levels of exposure to horse show management. Additionally, the largest Tennessee Walking Horse show, National Celebration, takes place in the Ohio Valley and has substantially higher costs than any other show. Therefore, the maximum per show cost estimates in the Ohio Valley are substantially greater than the maximum per show cost estimates in the other two regions.

Per-Show Costs for On-Site Veterinarians

Experts were asked to estimate the minimum, maximum, and most common costs for on-site veterinarians at HIO-affiliated Tennessee Walking and Racking Horse shows. Some experts indicated that, at smaller shows, many veterinarians provide services at no charge. The differences in the minimum and maximum costs are primarily due to the length of the show (i.e., multiday versus single-day shows) and the number of veterinarians needed.

The estimated minimum, maximum, and most common costs of on-site veterinarians at an HIO-affiliated Tennessee Walking or Racking Horse show by region, as shown in Table 3-15, are as follows:

- In the Ohio Valley, on-site veterinarians cost between \$0 and \$2,500 per show, and the most common cost is \$500 per show. (The median maximum cost estimates for on-site veterinarians are substantially less than the mean because one expert provided an estimate of \$20,000 per show.)
- In the Southeast, on-site veterinarians cost between \$0 and \$1,500 per show, and the most common cost is \$350 per show.
- In the West, on-site veterinarians cost between \$0 and \$1,500, and the most common cost is \$350 per show.

Table 3-15. Estimates of Costs of On-Site Veterinarians for a Tennessee Walking or Racking Horse Show by Region, 2012

	Median	Mean
Minimum cost per show for veterinarians		
Ohio Valley	\$0	\$70
Southeast	\$0	\$90
West	\$0	\$150
Most Common cost per show for veterinarians		
Ohio Valley	\$500	\$590
Southeast	\$350	\$530
West	\$350	\$610
Maximum cost per show for veterinarians		
Ohio Valley ^a	\$2,500	\$8,200
Southeast	\$1,500	\$2,000
West	\$1,500	\$1,660

^aThe median is substantially lower than the mean because one expert provided an estimate of \$20,000 total cost for on-site veterinarians at a Tennessee Walking and Racking Horse show in the Ohio Valley region.

Based on follow-up discussions with experts, the minimum and most common on-site veterinarian costs are based on a single-day horse show event. For multiday shows, the cost includes overnight lodging expenses and any travel. The mean and median maximum per show cost estimates for on-site veterinarians in the Ohio Valley are substantially greater than the maximum per show estimates in the other regions due the

estimated costs associated with the largest Tennessee Walking Horse show, National Celebration.

Per-Show Costs for On-Site Farriers

Experts were asked to estimate the minimum, maximum, and most common costs for on-site farriers at HIO-affiliated Tennessee Walking and Racking Horse shows. Similar to on-site veterinarians, experts indicated that, at smaller shows, many farriers provide services at no charge. The differences in the minimum and maximum costs are primarily due to the length of the show (i.e., multiday versus single-day shows) and number of farriers needed.

Using the medians, the estimated minimum, maximum, and most common costs of on-site farriers at an HIO-affiliated Tennessee Walking or Racking Horse show by region, as shown in Table 3-16, are as follows:

- In the Ohio Valley, on-site farriers cost between \$0 and \$3,000 per show, and the most common cost is \$150 per show.

Table 3-16. Estimates of Costs of On-Site Farriers for a Tennessee Walking or Racking Horse Show by Region, 2012

	Median	Mean
Minimum cost per show for farriers		
Ohio Valley	\$0	\$0
Southeast	\$0	\$0
West	\$0	\$0
Most Common cost per show for farriers		
Ohio Valley	\$150	\$190
Southeast	\$150	\$170
West	\$150	\$200
Maximum cost per show for farriers		
Ohio Valley	\$3,000	\$2,500
Southeast	\$600	\$680
West	\$600	\$600

- In the Southeast, on-site farriers cost between \$0 and \$600 per show, and the most common cost is \$150 per show.

- In the West, on-site farriers cost between \$0 and \$600 per show, and the most common cost is \$150 per show.

Based on follow-up discussions with experts, the minimum and most common on-site farrier costs are based on a single-day horse show event. One expert indicated that only a few horse shows hire on-site farriers. Instead, farriers at shows are hired by individual horse owners. The mean and median maximum per show cost estimates for on-site farriers in the Ohio Valley are substantially greater than the maximum per show estimates in the other regions due the estimated costs associated with the largest Tennessee Walking Horse show, National Celebration.

Per-Show Costs for Inspectors

Inspectors, or Designated Qualified Personnel (DQPs), are employed by Horse Industry Organizations to enforce the Horse Protection Act by conducting inspections at HIO-affiliated horse shows.

Experts were asked to estimate the minimum, maximum, and most common costs for inspectors (or DQPs) at HIO-affiliated Tennessee Walking and Racking Horse shows. Horse show inspectors are charged to horse shows in a variety of ways. Some horse shows are billed directly by the inspector based on the number of horses inspected. In other instances, horse shows pay for inspectors as part of the fee they pay to the HIO with which the show is affiliated. The differences in the minimum and maximum costs are primarily due to the length of the show (i.e., multiday versus single-day shows) and the number of inspectors needed.

Using the medians, the estimated minimum, maximum, and most common costs of inspectors at an HIO-affiliated Tennessee Walking or Racking Horse show by region, as shown in Table 3-17, are as follows:

- In the Ohio Valley, inspectors cost between \$300 and \$20,000 per show, and the most common cost is \$620 per show.
- In the Southeast, inspectors cost between \$350 and \$4,000 per show, and the most common cost is \$700 per show.
- In the West, inspectors cost between \$350 and \$3,000 per show, and the most common cost is \$600 per show.

Table 3-17. Estimates of Costs of Inspectors (or Designated Qualified Personnel) for a Tennessee Walking or Racking Horse Show by Region, 2012

	Median	Mean
Minimum cost per show for inspectors		
Ohio Valley	\$300	\$321
Southeast	\$350	\$341
West	\$350	\$460
Most Common cost per show for inspectors		
Ohio Valley	\$620	\$634
Southeast	\$700	\$824
West	\$600	\$725
Maximum cost per show for inspectors		
Ohio Valley ^a	\$20,000	\$17,200
Southeast	\$4,000	\$5,200
West	\$3,000	\$3,100

^aThe median is substantially higher than the mean because one expert provided an estimate of \$6,000 total maximum cost for inspectors at a Tennessee Walking and Racking Horse show in the Ohio Valley region.

Similar to the cost for on-site veterinarians and on-site farriers, based on follow-up discussions with experts, the minimum and most common inspector costs are based on a single-day horse show event. For multiday events, the cost estimates include travel reimbursement for the inspectors. For shows with high participation, many require two or more inspectors, effectively doubling the cost or more. The mean and median maximum per show cost estimates for inspectors in the Ohio Valley are substantially greater than the maximum per show estimates in the other regions due the estimated costs associated with the largest Tennessee Walking Horse show, National Celebration.

3.4 ECONOMIC IMPACT OF THE TENNESSEE WALKING AND RACKING HORSE INDUSTRY

Experts were asked for their views on the economic impact of the Tennessee Walking and Racking Horse industry by region in areas where it is prevalent using a Likert scale from 1 (very low) to 7 (very high). A response of very high indicates that local economies in the region are very reliant on the Tennessee Walking and Racking Horse industry. In contrast, a response of very low indicates that local economies in the region are not at

all reliant on the Tennessee Walking and Racking Horse industry.

In the Ohio Valley, most experts indicated that the economic impact of the Tennessee Walking and Racking Horse industry was neutral to very high. This is consistent with the estimates of the total number of show horses and industry-related entities located in this region. One expert indicated that local economies are less affected by horse shows than the charities that receive proceeds from horse shows.

Similarly, the experts indicated that the economic impact of the Tennessee Walking and Racking Horse industry in the Southeast is neutral to high. The economic impact of the Tennessee Walking and Racking Horse industry in the West is less significant, with most experts indicating that the impact is very low or low.

Appendix A: Expert Elicitation Materials

This appendix contains the following materials that were used in conducting the expert elicitation on the economic analysis of the Tennessee Walking and Racking Horse industry:

- Project description and interest form
- Expert elicitation worksheet
- Clarifications provided to the experts

PROJECT DESCRIPTION
Economic Analysis of the Tennessee Walking and Racking Horse Industry

RTI International is conducting an expert elicitation for the U.S. Department of Agriculture to obtain information needed to conduct an accurate economic analysis of the Tennessee Walking and Racking Horse industry. Specific information needs include the following:

- scale of the Tennessee Walking and Racking Horse industry, including estimates of the number of entities (e.g. horses, owners, trainers, exhibitors, and shows) involved in the industry
- estimates of costs and income from Tennessee Walking and Racking Horse industry activities
- overall economic effects of the Tennessee Walking and Racking Horse industry on regions and communities

Because the required data are generally not available from published sources or existing databases, estimates are being sought through an expert elicitation process. You would be asked to provide estimated values based on your experience and knowledge by completing a worksheet and participating in a discussion of the responses. In the study report, you would not be identified by name and your specific responses would be aggregated with those of the other panel participants.

This expert elicitation is designed to be conducted by teleconference and email with two rounds—in the first round, we will discuss the assumptions, definitions, and questions to be completed, and, in the second round, we will review the combined responses to determine reasons for differences in the provided values. If you choose to participate, your participation on the panel will not be disclosed in the study report and your specific responses will be combined with those of the other participants in the report we prepare for USDA.

What We Would Need from You

If you agree to participate in this expert elicitation, we will need to have you do the following:

- complete the attached interest and availability form by **August 17, 2012**
- complete panel participation agreement and non-disclosure agreement forms that RTI's contracts office will send to you
- participate in two (approximately 2-hour) panel discussions
- based on your experience and knowledge, complete a worksheet to provide your best estimates of scale of the Tennessee Walking and Racking Horse industry, the costs and income from activities in this industry, and its economic significance on regions and communities

We are offering an honorarium of **\$2,000** for completion of the exercise.

Please return the form and direct any questions about the study to:

RTI Project Manager

Ms. Melanie J. Ball
919-541-6041
melanieball@rti.org

INTEREST FORM
Expert Elicitation in Support of the Economic Analysis of the Tennessee Walking and Racking Horse Industry

Name:

Preferred email address:

Phone:

Fax number (if available):

Mailing address (payment address):

Citizenship:

Please indicate times (CST) when you are available for the initial 2-hour teleconference:

<input type="checkbox"/> Thur., 8/23	9:00am – 11:00am
<input type="checkbox"/> Thur., 8/23	2:00pm – 4:00pm
<input type="checkbox"/> Fri., 8/24	9:00am – 11:00am
<input type="checkbox"/> Fri., 8/24	2:00pm – 4:00pm
<input type="checkbox"/> Wed., 9/5	9:00am – 11:00am
<input type="checkbox"/> Wed., 9/5	2:00pm – 4:00pm
<input type="checkbox"/> Thur., 9/6	9:00am – 11:00am
<input type="checkbox"/> Thur., 9/6	2:00pm – 4:00pm

The second teleconference will be scheduled in late September.

Please indicate your level of experience or knowledge of the following:

Number of TN Walking and/or Racking Horse industry entities associated with horses that actively participate in shows (e.g. numbers of horses, owners, exhibitors, trainers, show operators, and shows)			
Region	Level of Experience/Knowledge by Region		
Ohio Valley (IN, KY, OH, TN)	<input type="checkbox"/> 1 Minimal / none	<input type="checkbox"/> 2 Moderate	<input type="checkbox"/> 3 Extensive
Southeast (AL, FL, GA, MS, MO, NC, SC, TX, VA)	<input type="checkbox"/> 1 Minimal / none	<input type="checkbox"/> 2 Moderate	<input type="checkbox"/> 3 Extensive
West (CA, CO, MT, NV, OR, WA)	<input type="checkbox"/> 1 Minimal / none	<input type="checkbox"/> 2 Moderate	<input type="checkbox"/> 3 Extensive

Please comment on the nature of your experience with respect to the scale of the TN Walking and Racking Horse industry:

Value, costs of, and revenues from owning and training a TN Walking or Racking Horse that actively participates in shows			
Region	Level of Experience/Knowledge by Region		
Ohio Valley (IN, KY, OH, TN)	<input type="checkbox"/> 1 Minimal / none	<input type="checkbox"/> 2 Moderate	<input type="checkbox"/> 3 Extensive
Southeast (AL, FL, GA, MS, MO, NC, SC, TX, VA)	<input type="checkbox"/> 1 Minimal / none	<input type="checkbox"/> 2 Moderate	<input type="checkbox"/> 3 Extensive
West (CA, CO, MT, NV, OR, WA)	<input type="checkbox"/> 1 Minimal / none	<input type="checkbox"/> 2 Moderate	<input type="checkbox"/> 3 Extensive

Please comment on the nature of your experience with respect to the costs and revenues associated with owning a TN Walking or Racking Horse that actively participates in shows:

Costs of and revenues generated from producing a TN Walking or Racking Horse show			
Region	Level of Experience/Knowledge by Region		
Ohio Valley (IN, KY, OH, TN)	<input type="checkbox"/> 1 Minimal / none	<input type="checkbox"/> 2 Moderate	<input type="checkbox"/> 3 Extensive
Southeast (AL, FL, GA, MS, MO, NC, SC, TX, VA)	<input type="checkbox"/> 1 Minimal / none	<input type="checkbox"/> 2 Moderate	<input type="checkbox"/> 3 Extensive
West (CA, CO, MT, NV, OR, WA)	<input type="checkbox"/> 1 Minimal / none	<input type="checkbox"/> 2 Moderate	<input type="checkbox"/> 3 Extensive

Please comment on the nature of your experience with respect to the costs and revenues associated with operating a TN Walking or Racking Horse show:

**Please return this form by August 17, 2012 to:
Melanie Ball (melanieball@rti.org), 919-541-6091**

EXPERT ELICITATION WORKSHEET
Economic Impact of the Tennessee Walking and Racking Horse Industry

The overall purpose of this expert elicitation is to provide information to the U.S. Department of Agriculture needed to conduct an accurate economic impact analysis of activities associated with the Tennessee Walking and Racking Horse industry. Specific data needs include the following:

- scale of the Tennessee Walking and Racking Horse industry, including estimates of the number of entities (e.g. horses, owners, trainers, exhibitors, and shows) involved in the industry
- estimates of costs and income from Tennessee Walking and Racking Horse industry activities
- overall economic effects of the Tennessee Walking and Racking Horse industry on regions and communities

Because the required data are generally not available from published sources or existing databases, estimates are being sought through an expert elicitation process. We are asking you to provide estimated values based on your experience and knowledge by completing this worksheet and participating in a discussion of the responses. In the study report, you would not be identified by name and your specific responses would be aggregated with those of the other panel participants.

For this exercise, we will focus on the following entities affiliated with the Tennessee Walking and Racking Horse industry:

- **Owners** – Owners of Tennessee Walking Horses or Racking Horses
- **Show Horse** – Tennessee Walking or Racking Horse that actively participates in shows, includes both performance and pleasure horses
- **Exhibitors** – Individuals who show Tennessee Walking or Racking Horses in Walking Horse shows
- **Trainers** – Individuals who train Tennessee Walking or Racking Horses in preparation for Walking and Racking Horse shows
- **Show Operators** – Individuals who organize and manage Tennessee Walking or Racking Horse shows

We will also focus on the following 3 primary geographic areas that comprise most of the Walking and Racking Horse industry:

- **Ohio Valley** – Indiana, Kentucky, Ohio, and Tennessee
- **Southeast** – Alabama, Florida, Georgia, Mississippi, Missouri, North Carolina, South Carolina, Texas, and Virginia
- **West** – California, Colorado, Montana, Nevada, Oregon, and Washington

1. What is your best estimate of the number of Tennessee Walking and Racking **horses** by region and the percent of Tennessee Walking and Racking Horses that participate in shows by region?

Region	Number of TN Walking and Racking Horses	% of TN Walking and Racking Horses that Participate in Shows
Ohio Valley (IN, KY, OH, TN)		_____ %
Southeast (AL, FL, GA, MS, MO, NC, SC, TX, VA)		_____ %
West (CA, CO, MT, NV, OR, WA)		_____ %

Note: The following estimates of the number of walking horses were obtained from external sources:

- Tennessee: 62,000 (estimate as of 2004; Kenerson and Moore, 2004)
- Virginia: 15,500 (estimate as of 2006; USDA-NASS, 2008)
- Alabama: 13,268 (estimate as of 2004; Whiting, Molnar, and McCall, 2006)
- Indiana: 5,400 (estimate as of 2002; USDA-NASS, 2002)

Please comment on whether you think the number of Tennessee Walking or Racking Horses that participate in shows over the last 3 to 5 years is increasing or decreasing and by how much, or staying the same:

2. What is your best estimate of the number of Tennessee Walking and Racking Horse **owners** by region and the percent of Tennessee Walking and Racking Horses owners who participate in shows by region?

Region	Total Number of TN Walking and Racking Horse Owners	% of TN Walking and Racking Horse Owners who Participate in Shows
Ohio Valley (IN, KY, OH, TN)		_____ %
Southeast (AL, FL, GA, MS, MO, NC, SC, TX, VA)		_____ %
West (CA, CO, MT, NV, OR, WA)		_____ %

Note: The Walking Horse Owners Association states membership of "more than 1000 nationwide"¹ (as of 2012)

Please comment on whether you think the number of Tennessee Walking or Racking Horses owners that participate in shows over the last 3 to 5 years is increasing or decreasing and by how much, or staying the same:

¹ Source: <http://www.walkinghorseowners.com/about-whoa/>

3. What is your best estimate of the number of **exhibitors, trainers, and show operators** associated with the Tennessee Walking and Racking Horse industry in each region?

Region	Exhibitors	Trainers	Show Operators
Ohio Valley (IN, KY, OH, TN)			
Southeast (AL, FL, GA, MS, MO, NC, SC, TX, VA)			
West (CA, CO, MT, NV, OR, WA)			

Note: The Walking Horse Trainers association states membership of "more than 550"² (estimate as of 2012)

Please comment on whether you think the general number of Tennessee Walking or Racking Horse-related entities over the last 3 to 5 years is increasing or decreasing and by how much, or staying the same:

² Source: http://www.walkinghorsetrainers.com/index.php?option=com_content&view=article&id=81:whtra-responds-to-abc-news-story&catid=12:news--press-releases&Itemid=27

4. What is your best estimate of the range of **total annual compensation** for a trainer of Tennessee Walking or Racking horses for each region? Include training fees collected, show incentives, prizes, etc.

Region	Minimum annual Trainer compensation	Most common annual Trainer compensation	Maximum annual Trainer compensation
Ohio Valley (IN, KY, OH, TN)	\$ _____	\$ _____	\$ _____
Southeast (AL, FL, GA, MS, MO, NC, SC, TX, VA)	\$ _____	\$ _____	\$ _____
West (CA, CO, MT, NV, OR, WA)	\$ _____	\$ _____	\$ _____

Comments:

5. The next set of questions seeks your best estimates of the values and annual revenues associated with owning a Tennessee Walking or Racking horse that actively participates in shows.

5a. What is the range of the **value** per Tennessee Walking or Racking Horse that actively competes in shows in each region? In other words, estimate the amount that the owner would obtain if the horse was sold.

Region	Minimum value per Show Horse	Most common value per Show Horse	Maximum value per Show Horse
Ohio Valley (IN, KY, OH, TN)	\$ _____	\$ _____	\$ _____
Southeast (AL, FL, GA, MS, MO, NC, SC, TX, VA)	\$ _____	\$ _____	\$ _____
West (CA, CO, MT, NV, OR, WA)	\$ _____	\$ _____	\$ _____

Please comment on whether you think the value of Tennessee Walking or Racking Horses that actively compete in shows over the last 3 to 5 years is increasing or decreasing and by how much, or staying the same:

5b. In a typical year, what is the range of an **owner's annual revenue** derived from a Tennessee Walking or Racking Horse that actively competes in shows each region? Include all sources such as show awards and breeding (e.g. stud fees or mare leases).

Region	Minimum annual revenue per Show Horse	Most common annual revenue per Show Horse	Maximum annual revenue per Show Horse
Ohio Valley (IN, KY, OH, TN)	\$ _____	\$ _____	\$ _____
Southeast (AL, FL, GA, MS, MO, NC, SC, TX, VA)	\$ _____	\$ _____	\$ _____
West (CA, CO, MT, NV, OR, WA)	\$ _____	\$ _____	\$ _____

5c. What is the typical distribution of revenues by category for Tennessee Walking and Racking Horses that actively competes in shows?

Cost Category	Percent of revenue by category per Show Horse		
	Ohio Valley (IN, KY, OH, TN)	Southeast (AL, FL, GA, MS, MO, NC, SC, TX, VA)	West (CA, CO, MT, NV, OR, WA)
Prizes, awards, etc.	_____ %	_____ %	_____ %
Breeding	_____ %	_____ %	_____ %
Other, Specify: _____	_____ %	_____ %	_____ %
Total	100%	100%	100%

Comments:

6. The next set of questions seeks your best estimates of the annual costs associated with owning and training a Tennessee Walking or Racking horse that actively participates in shows.

6a. In a typical year, what is the range of **total annual cost** of owning and maintaining a Tennessee Walking or Racking Horse that actively competes in shows each region? Include all costs associated with keeping, training, and showing a horse (e.g. feed, housing, vet services, farrier services, show participation costs, insurance, etc.).

Region	Minimum annual cost per Show Horse	Most common annual cost per Show Horse	Maximum annual cost per Show Horse
Ohio Valley (IN, KY, OH, TN)	\$ _____	\$ _____	\$ _____
Southeast (AL, FL, GA, MS, MO, NC, SC, TX, VA)	\$ _____	\$ _____	\$ _____
West (CA, CO, MT, NV, OR, WA)	\$ _____	\$ _____	\$ _____

Comments:

6b. In a typical year, what is the **breakdown of costs** by category for Tennessee Walking and Racking Horses that actively competes in shows?

Cost Category	Percent of cost by category per show horse		
	Ohio Valley (IN, KY, OH, TN)	Southeast (AL, FL, GA, MS, MO, NC, SC, TX, VA)	West (CA, CO, MT, NV, OR, WA)
Feed and supplements	_____ %	_____ %	_____ %
Housing (including boarding)	_____ %	_____ %	_____ %
Training	_____ %	_____ %	_____ %
Veterinary, medicine, and farrier services	_____ %	_____ %	_____ %
Show participation costs*	_____ %	_____ %	_____ %
Insurance	_____ %	_____ %	_____ %
Other, Specify: _____	_____ %	_____ %	_____ %
Total	100%	100%	100%

*Include costs of transporting the horse to and from horse shows.

Comments:

7. The next set of questions seeks your best estimate of the number of Tennessee Walking or Racking Horse shows and revenues derived from them by region.

7a. How many Tennessee Walking and Racking Horse shows take place each year in each region and what percentage are Horse Industry Organization (HIO) affiliated?

Region	<u>Total number of shows</u>	<u>% of shows that are HIO-affiliated</u>
Ohio Valley (IN, KY, OH, TN)		_____ %
Southeast (AL, FL, GA, MS, MO, NC, SC, TX, VA)		_____ %
West (CA, CO, MT, NV, OR, WA)		_____ %

Note: According to USDA's 2011 Designated Qualified Person (DQP) report, the following numbers of inspected, HIO-affiliated Tennessee Walking and Racking horse shows by region are as follows:

- OH Valley: 250
- Southeast: 120
- West: 16

Please comment on whether you think the number of Tennessee Walking and Racking Horse shows over the last 3 to 5 years is increasing or decreasing and by how much, or staying the same:

7b. In a typical year, what is the range of revenue for each HIO-affiliated Tennessee Walking or Racking Horse show in each region? Include all sources of income including sponsorships, entry fees, and spectator admission fees.

Region	Minimum revenue per show	Most Common revenue per show	Maximum revenue per show
Ohio Valley (IN, KY, OH, TN)	\$ _____	\$ _____	\$ _____
Southeast (AL, FL, GA, MS, MO, NC, SC, TX, VA)	\$ _____	\$ _____	\$ _____
West (CA, CO, MT, NV, OR, WA)	\$ _____	\$ _____	\$ _____

Please comment on whether you think the revenue derived from Tennessee Walking and Racking Horse shows over the last 3 to 5 years is increasing or decreasing and by how much, or staying the same:

8. The next set of questions seeks your best estimate of the costs incurred from Tennessee Walking or Racking Horse shows by region.

8a. In a typical year, what is the range of cost of operating an HIO-affiliated Tennessee Walking or Racking Horse show in each region? Include all costs associated with operating a show (e.g. overhead and management, insurance, inspectors, on-site veterinarians, judges, etc.).

Region	Minimum cost per show	Most Common cost per show	Maximum cost per show
Ohio Valley (IN, KY, OH, TN)	\$ _____	\$ _____	\$ _____
Southeast (AL, FL, GA, MS, MO, NC, SC, TX, VA)	\$ _____	\$ _____	\$ _____
West (CA, CO, MT, NV, OR, WA)	\$ _____	\$ _____	\$ _____

Please comment on whether you think the cost associated with operating affiliated Tennessee Walking and Racking Horse shows over the last 3 to 5 years is increasing or decreasing and by how much, or staying the same:

8b. For shows that have **on-site veterinarians**, what is your estimate of the cost per show for on-site veterinarians at Tennessee Walking and Racking Horse shows?

Region	On-site Veterinarians		
	Minimum cost per show	Most Common cost per show	Maximum cost per show
Ohio Valley (IN, KY, OH, TN)	\$ _____	\$ _____	\$ _____
Southeast (AL, FL, GA, MS, MO, NC, SC, TX, VA)	\$ _____	\$ _____	\$ _____
West (CA, CO, MT, NV, OR, WA)	\$ _____	\$ _____	\$ _____

8c. For shows that have **on-site farriers**, what is your estimate of the cost per show for on-site farriers at Tennessee Walking and Racking Horse shows?

Region	On-site Farriers		
	Minimum cost per show	Most Common cost per show	Maximum cost per show
Ohio Valley (IN, KY, OH, TN)	\$ _____	\$ _____	\$ _____
Southeast (AL, FL, GA, MS, MO, NC, SC, TX, VA)	\$ _____	\$ _____	\$ _____
West (CA, CO, MT, NV, OR, WA)	\$ _____	\$ _____	\$ _____

8d. For shows that are inspected, what is your estimate of the cost per show incurred for **Designated Qualified Persons (DQPs) or** inspectors at Tennessee Walking and Racking Horse shows?

Region	Designated Qualified Persons (DQPs) or inspectors		
	Minimum cost per show	Most Common cost per show	Maximum cost per show
Ohio Valley (IN, KY, OH, TN)	\$ _____	\$ _____	\$ _____
Southeast (AL, FL, GA, MS, MO, NC, SC, TX, VA)	\$ _____	\$ _____	\$ _____
West (CA, CO, MT, NV, OR, WA)	\$ _____	\$ _____	\$ _____

Comments:

9. What is your opinion regarding the economic impact of the Tennessee Walking and Racking Horse industry and shows on local economies by geographic region? In other words, how reliant are communities in each region listed on the Walking or Racking Horse industry?

A response of "Very high" indicates that local economies in the region are very reliant on the Tennessee Walking and Racking Horse industry. In contrast, a response of "Very low" indicates that local economies in the region are not at all reliant on the Tennessee Walking and Racking Horse industry.

Region	Economic Impact of the TN Walking and Racking Horse industry
Ohio Valley (IN, KY, OH, TN)	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"><input type="checkbox"/> 1 Very low</div> <div style="text-align: center;"><input type="checkbox"/> 2</div> <div style="text-align: center;"><input type="checkbox"/> 3</div> <div style="text-align: center;"><input type="checkbox"/> 4 Neutral</div> <div style="text-align: center;"><input type="checkbox"/> 5</div> <div style="text-align: center;"><input type="checkbox"/> 6</div> <div style="text-align: center;"><input type="checkbox"/> 7 Very high</div> </div>
Southeast (AL, FL, GA, MS, MO, NC, SC, TX, VA)	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"><input type="checkbox"/> 1 Very low</div> <div style="text-align: center;"><input type="checkbox"/> 2</div> <div style="text-align: center;"><input type="checkbox"/> 3</div> <div style="text-align: center;"><input type="checkbox"/> 4 Neutral</div> <div style="text-align: center;"><input type="checkbox"/> 5</div> <div style="text-align: center;"><input type="checkbox"/> 6</div> <div style="text-align: center;"><input type="checkbox"/> 7 Very high</div> </div>
West (CA, CO, MT, NV, OR, WA)	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"><input type="checkbox"/> 1 Very low</div> <div style="text-align: center;"><input type="checkbox"/> 2</div> <div style="text-align: center;"><input type="checkbox"/> 3</div> <div style="text-align: center;"><input type="checkbox"/> 4 Neutral</div> <div style="text-align: center;"><input type="checkbox"/> 5</div> <div style="text-align: center;"><input type="checkbox"/> 6</div> <div style="text-align: center;"><input type="checkbox"/> 7 Very high</div> </div>

Comments:

Clarifications Provided to Experts During the Expert Elicitation Process

- Question 1: The estimate of the number of horses should include the number of living horses
- Question 2: The estimate of the number of owners of TN walking or racking horses should include those owners who have at least one TN walking or racking horse. The percent of TN Walking or Racking horse owners who participate in shows should include those owners who have horses that participate in shows, regardless of who entered the horse into the show.
- Question 3: Sometimes trainers are also exhibitors, in which case that individual would be represented in both the "Trainers" and "Exhibitors" columns. To estimate the number of show operators, only include the individual(s) who are responsible for the management of the show.
- Question 4: The estimates should include net annual compensation for trainers of TN walking or racking horses. In other words, provide an estimate for the income a trainer would report on their tax returns.
- Question 5b, please estimate the range of total revenue derived over the life of a Tennessee Walking or Racking horse that has at some point competed in a show. In other words, provide an estimate of the revenue from both show prizes and breeding enterprises over the life of a horse. Please provide the minimum, maximum, and most common estimates by region.
- Question 5c, please provide estimates of the percent distribution of the total revenue over the life of a Tennessee Walking or Racking horse that has at some point competed in a show by region.
- Question 6a: The estimates of the total annual cost of training a TN walking or racking horse should include all costs, including advertising, regardless of the number of shows in which a horse may compete.
- Question 7a: The estimate of the total number of shows should include all TN walking and racking horse shows, including those that are not HIO-affiliated (also called "open" shows).
- Question 7b: The estimate of the revenue derived from an HIO-affiliated TN walking or racking horse show should include all sources of revenue, including concessions.
- Question 8a: The estimate of the cost of operating and managing an HIO-affiliated TN walking or racking horse show should include all costs, including food for the concession stands.
- Question 8b: The estimate of the cost of an on-site vet we seek is that of a vet that is acting as a vet, and not as some other show entity (e.g. inspector). The estimated range of the per-show cost of an on-site veterinarian should take into consideration multi-day shows.
- Question 8c: The estimated range of the per-show cost of an on-site farrier should take into consideration multi-day shows.
- Question 8d: The estimated range of the per-show cost of an inspector or DQP should take into consideration multi-day shows. Also, the estimate should include both fees and travel expenses paid to the inspector.