



MARYLAND HORSE FORUM 2014

*“Celebrating our successes,
planning our future”*

FINAL REPORT



Authored By The 2014 Maryland Horse Forum Planning Committee

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Joseph Bartufella

SIEGLER/STEELE LETTER



EXECUTIVE SUMMARY

OVERVIEW

On August 7, 2014, over 350 leaders from across the state and representing Maryland's more than 200 equine organizations and 35 different equestrian disciplines, as well as several state legislators and agency officials, convened at the Prince George's Equestrian Center & Showplace Arena in Upper Marlboro, Md. to assess the current state of Maryland's equine industry and to discuss major issues and brainstorm ideas to help shape it's future.

The 2014 Forum was the third in a series, representing Forums held every five years (2004, 2009 and 2014). The 2014 Forum was jointly hosted by the Maryland Horse Industry Board and the Maryland Horse Council, the industry's commodities and trade organizations, respectively, and sponsored by 28 different breed and trade organizations and associations, uniting all aspects of the industry, both from the racing and non-racing side.

To help guide and educate the group about national trends and initiatives, the assemblage heard from Patti Colbert, chair of the national marketing alliance of the American Horse Council; Todd Gralla, global designer of equestrian parks and consultant for the Maryland Horse Park System; and Steven Day, President and CEO of Dover Saddlery, one of the nation's largest equine retailers.

These speakers emphasized shifting demographic and psychographics of the American public. They suggested ways in which the horse industry can develop marketing strategies and a change in attitudes to attract more folks to equestrian activities and grow the industry. In addition, they praised Marylanders for the initiatives that are already taking place and offered encouragement to let us know that we are headed in the right direction and in many ways are at the forefront of national trends and ideas.

Prior to the Forum, a survey was sent to

nearly 2,000 horse folks of various equine organizations for suggestions on pressing issues that should be addressed at the Forum. From their responses, four topics involving eight sessions were organized:

- Marketing
- Business & Regulatory
- Going Green (Land & Greenways)
- Managing the Maryland Horse Population

Since the 2009 Forum, significant changes have taken place in the state's horse industry. They include:

- Publication of the 2010 Horse Census, which showed there are 79,100 horses, ponies, mules, donkeys and burros in Maryland, reflecting a 9 percent decrease in the equine population since the first census in 2002. However, the value of the animals increased 5 percent to \$714 million and total equine related assets grew 8 percent to \$5.6 billion. The decrease in the equine population can be attributed to two major factors: 1. The impact of casino gambling at racetracks in neighboring states which eroded Maryland's horse-racing breeding industry as breeders left Maryland for neighboring states or stopped their activities altogether; and 2. the 2008 Recession.
- The publication of the Census and "doom and gloom" of the racing industry reflected at the 2009 Forum spurred the state's horse industry into action.
- The state's racing picture is now much brighter. Five casinos are up and running in Maryland and contributing tens of millions of dollars into racing purses, breeders awards and track improvements and operating expenses. A 10-year plan to maintain a year-round racing schedule has been reached by horsemen and track owners; and various disputes between segments of the racing industry have either been settled or tempered.
- The Maryland Horse Industry Board (MHIB) listened to suggestions from the 2009 Forum attendees and developed a strategic marketing plan. MHIB and its partner organizations are

aggressively enacting numerous marketing initiatives to attract new and re-entry people to equestrian activities.

- The study to develop a major Maryland Horse Park, which for a variety of reasons was not acted upon in 2006, has evolved into a further study which is suggesting upgrades to existing equine facilities and incorporating them into a statewide Horse Park System. Modeled on the Olympic Plan, this network would distribute economic benefits statewide and not cannibalize existing facilities or competitions.
- The Maryland Horse Council has been proactive on a number of issues raised at the 2009 Forum, from creating the Maryland Fund for Horses to address the problem of unwanted horses; the Farm Stewardship Committee, to increase awareness about the environmental benefits of well-managed horse properties; the Committee to Support Racing, which has promoted efforts to bring more non-racing people to the tracks; the Business Network, to allow equestrian business and farm owners to learn and share ideas and experiences; and the "Save the Horse Farms" campaign to focus on overly restrictive county and local zoning rules.

Even though major issues persist, as evidenced by the following session reports on these pages, the theme of the 2014 Forum, titled "Celebrating our Successes, Planning for our Future," showcased the new activities, new organizations, new owners and new participants that are contributing to an uptick in the state's equine industry.

This is evidenced by payroll increases (source: Maryland Insurance Administration), an increase in boarding and lesson stable activity (source: MHIB), increases in buying and selling horses and an increase in number of competitions and competitors (source: The Equiery) and an increase in the number of racing stallions, mares and foals (source: Maryland Horse Breeders Association, Standardbred Breeders' Fund).

Another very encouraging sign: 64 percent of

the respondents to the Horse Forum Evaluation Questionnaire had not previously attended either the 2004 or 2009 Forums, indicating new interest from new industry participants.

The major point acknowledged at the 2014 Forum is that “Maryland is on the Move” although there is still much to be done. It is up to us to keep the momentum going by continuing to market aggressively, foster cross disciplinary cooperation, be vigilant on issues confronting the industry and upgrade facilities.

The following is a synopsis of the recommendations identified with each of the Forum sessions:

MARKETING & PROMOTION

Session I *outlined current initiatives:*

MHIB, in response to 2009 Forum

Recommendations to establish a strategic marketing plan, which includes these components:

- Horse Pals affinity group (1,500 members of online community), providing farm tours and activities.
- Social media program (over 1,100 Facebook and 700 Twitter followers)
- Touch of Class Awards (recognizing more than 80 Maryland horses and people who have achieved national & international success resulting in increased positive media coverage)
- Development of 35 Horse Discovery Centers in 15 counties at existing stables, teaching folks about horses and horsemanship in a welcoming & knowledgeable environment
- Publication of new materials (Licensed Stable Guide, Annual Events Calendar, Census & Economic Impact brochure—coming in 2015: new trails brochure, trail rental stable brochure, Horse Discovery Center brochure, new edition Licensed Stable Guide)
- Horse History Projects. Capturing our equine heritage by telling our stories through programs, experiences and conversations. First Horse History Trail—“Horses at

the Beach”, two independent films in development: Racing The Times, Ballad of Baltimore

- Development of Horse Park System: Connecting major equine competition venues with Horse Discovery Centers, History Trails and other equine happenings to brand a Total Maryland Horse Experience.
- Development of Speaker Series, More Public Outreach Efforts, Website Improvement, More Legislative Outreach, increased advertising and public relations opportunities.

Partners Marketing Initiatives:

Some examples--

- Md. Horse Breeders Assoc.: “Colts Are Back” campaign, Racing The Times, Md. Thoroughbred Club, etc.
- Sagamore Farm: Three Diamonds Club, Speakers Series & Farm Tours
- Licensed Stables: FaceBook, Groupon, Living Social, Twitter, YouTube, Camps, Clinics, etc.
- Friends of Md. Standardbreds: Racing Under Saddle Events, youth camps, etc.
- Md. Racing Commission: Loyola Marketing Study, Racing the Times support
- Steeplechase: US Pony racing demos, Thundering Hooves documentary
- Racetracks: Preakness, BESD, Decanter, special Race days, Canter For the Cure, etc.
- Affiliations with Charities/Foundations: Cystic Fibrosis, GBMC, Union Hospital, Johns Hopkins, Howard Community College, Wounded Warriors, Susan G Komen, etc.
- Publications: The Equiery, Mid-Atlantic Thoroughbred, This is Racing, etc.
- Plus many other projects developed by various breed organizations and associations

Session II

Suggestions and discussions on specific marketing initiatives

- Continue to expand current programs
- Design & implement an in-school program such as the Black Stallion Literacy Project
- Spark community interest with new show,

SUMMARY

- demo, event or touring program
- Tout physical benefits of horseback riding
- Open houses/educational tours
- “By the hand” partnership—bring a friend
- Target those who attend non-horse event at horse facilities(i.e. Medieval Times)
- Target Different aspects of industry may appeal to different audiences
- Better representation of horse sports in media
- Ensure safety
- “Horse Around” Utilize youth in industry to bring in new friends
- “Back to the Track” introduce horses to new audiences, use tours at tracks
- Public Relations maximize media coverage
- Open facilities for One Day Statewide Horse Open House
- Explore purchase and use of mechanical horse

BUSINESS & REGULATORY

Session I

Insurance and Liability

Many horse businesses are increasingly burdened by the high cost of Workers’ Compensation Insurance premiums. In addition, protecting horse businesses from the threat of litigation is a key concern of the industry due to the unpredictability of horses themselves, and the unavoidable dangers of the farms or stables where they are kept.

Many equine businesses cannot afford the cost of a prolonged court case, or even the high cost of insurance for simply protecting their investments from unexpected, catastrophic loss.

Many equine businesses are also increasingly burdened by the high cost of workers’ compensation premiums.

Some suggestions to mitigate these issues are:

- Maintaining Maryland’s Contributory Negligence standard is of utmost importance.
- Continuing to study the issues associated with instituting a special interest Equine Limited Liability statute, and the risk such a law might have to existing standards of negligence.
- Encourage horse businesses to implement measures to protect their operations,

including the use of signs, waivers, legal agreements and other business documents; and best management practices to ensure good safety records.

- Work to ensure that horse business owners are aware of the various employee classifications for workers’ compensation premiums, and that they make sure that their employees are correctly classified.

Session II

Labor, Employment & Workers’ Comp

The success of the Maryland horse industry depends largely upon individuals that are employed within it. With that in mind, the recommendations from the session are:

- Improve industry access to foreign worker programs
- Improve industry interaction with the available domestic labor force
- Develop and increase educational training for the workforce, including vocational and high school programs, horse industry specific Spanish and English classes, and improving the college and university management programs to provide more hands-on experience but also produce graduates more realistic about industry compensation
- Utilize the new MHIB Horse Discovery Centers to develop internship programs and worker education programs
- Work with the Maryland Insurance Administration and with various private insurers towards making workers’ compensation insurance more accurately reflect the risks associated with various equine businesses, and the historical lack of claims
- Utilize State agencies to offer training on hiring foreign labor

GOING GREEN

Session I

Farm Stewardship

The issues and solutions raised at the “Going Green: Farm Stewardship” session fell loosely

under four recommendations:

Keep Open Land Open

- Provide more funding for land preservation, including a possible tax check-off for open space funding
- Build political support for open space
- Engage the horse community early and often in zoning decisions and master plans
- Support both publically and privately owned open space
- Improve trail access and rights-of-way for horse trails
- Promote the creation of “urban wilderness” near urban areas, including stables
- Educate the public about the value of open green space
- Explore including walking paths on horse farms for non-riders
- Include the horse community in recreation planning
- Bring horse farm owners into farm preservation committees

Promote Horse Manure Composting and the use of Composted Horse Manure

- Provide information on how to compost
- Promote the use of horse manure as a natural, organic and renewable soil enhancement through marketing
- Explore establishing and/or expanding regional composting facilities
- Provide technical and financial assistance for manure management, including to small horse farms

Provide Technical and Financial Assistance for Land Management

- Offer information on nutrient management plans and regulations
- Provide more resources for public agencies assisting horse farms
- Collect more data on erosion, nutrient run-off and other environmental concerns on horse farms
- Provide horse-farm specific training for agricultural extension agents

Increase the Role of Horse Farm Owners in Setting Laws, Regulations and Codes

Governing Horse Farm Management

- Maintain horse farms as agricultural land under Maryland law
- Establish building codes for farm buildings that are user-friendly
- Include horse farm owners in plans for zoning and land use
- Provide more information on existing laws and regulations, including state, county and local, governing horse farms
- Increase communication between the horse community and political representatives at the local, county, state and national level on horse farm management issues
- Improve communication between the various committees (e.g. agriculture, environment, energy) that influence policy on horse farm management

Session II

Public Lands, Wildlife Heritage Areas, Parks & Trails

Current Issues and Solutions

- Preserving common knowledge trails, especially those that run through private lands
 - a. GPS mapping applications on phones
 - b. MHC and MHIB could post trails on their website
- Staying informed on changes in trail regulations, important legislative votes, especially votes on Sunday hunting
 - a. TROT/MHC emails
 - b. Maryland Horse Council posts on their website
 - c. However, we could try to maintain a stronger social media presence through FaceBook, Twitter, etc.
- Continue to support/grow groups such as Foxhunting clubs, the Carriage Drives Association, the US Eventing Association, etc., which require large tracts of land for their events, especially in view of disappearing public lands
 - a. Groups should band together to petition for land
 - b. Sponsor events to fund raise and raise

SUMMARY

- awareness
- Sharing land and responding to increased Sunday hunting
 - a. Work with other groups, including the Audubon Society and the Maryland Ornithological Society (the birders) to increase lobbying power
 - b. Reach out to state and federal officials (especially their staff) to raise support for Sundays Safe for trail riding
 - c. Obtain state incentives, such as easements, to encourage private landowners to allow horses to have access
 - d. Raise awareness on trail etiquette
 - e. Develop better ways to inform and instruct safe hunting practices
 - Opening more trails and dealing with the state's lack of funding
 - a. Volunteer trail clearers, working with other groups
 - neglect or becoming unwanted.
 - Programs to educate and encourage breeders to geld young colts—including financial assistance where warranted.
 - A program to track post-racing performance statistics and pedigrees of horses that retire from racing to a sport career. Sport horse breeders want to be able to access performance records for Thoroughbreds in non-racing sport to facilitate identifying stallions and their progeny that excel in equestrian sports.
 - Encourage sport and performance horse breed associations to educate their membership about purpose-driven breeding, and to continuously strive to improve best qualities of the breed. Encourage breed associations and equestrian sport associations to collect, report and make public more data about the performance records of horses registered with breed associations.
 - Support scientific research programs to develop new practices for equine birth control to reduce unintended overbreeding.

MANAGING MARYLAND'S HORSE POPULATION

Session I

Breeding Horses in Maryland

Resolutions and Recommendations

- Currently, Thoroughbred breeding appears to be on the increase. The Maryland Horse Breeders' Association shared that new incentive programs are being put in place to reward successful Maryland-bred horses.
- Continue to increase programs and incentives to increase demand for Thoroughbred and Standardbred race horses for post-racing sport careers. The Retired Racehorse Project in Maryland and several other charities have been created since the last Horse Forum and are making good progress in promoting former race horses and rewarding those that are successful in non-racing equestrian sports.
- Increase educational opportunities for those interested in horse breeding, to include education for new breeders entering the industry, education about responsible breeding and the breeder's role in helping a horse to avoid becoming at-risk for abuse/

Session II

Coping With Surplus Horses

Resolutions and Recommendations

- Build a statewide network of people willing and qualified to help re-home or humanely euthanize/dispose of horses.
- Create and promote more horse management classes.
- Continue finding ways to reach more people with educational materials—particularly individuals and “backyard” owners not affiliated with any formal organizations that provide education.
- Create promotional and educational materials about horse ownership as a long-term commitment
- Find other avenues for re-homing horses in addition to rescues.
- Increase efforts to create programs to re-home horses that are more auction-prone (cart horses, working horses, mini horses) and

- horses that are not 100% sound.
- More networking/communicating across participants in the horse industry
 - Incentives and programs to keep Maryland horses out of auction houses that sell horses to “kill buyers”—provide horse owners in trouble with better alternatives.
 - Consider options such as licensing for breeders and horse dealers, microchip

- accepted as a basic veterinary service, microchip scanning required at auction houses, and inclusion of language more protective of equine welfare in sale contracts and auction contracts.
- Support research and expansion of composting programs as a means of carcass disposal.



INTRODUCTION

Since its inception in 2004, the Maryland Horse Forum, held every five years, has produced positive results for the industry.

Our industry is very diverse. There are 35 different equestrian disciplines in the state—from racing to rodeo, polo to pony rides, jousting to Grand Prix jumping. There are also over 40 breeds—from Thoroughbreds to Tobianos, Welsh ponies to European Warmbloods, Clydesdales to Quarter Horses.

Representing all of these different disciplines and breeds are more than 200 equine organizations.

So it is important that at least every five years as many of our stakeholders as possible meet, network, brainstorm and discuss ways to grow and improve Maryland's entire horse industry.

The first Maryland Horse Forum was held on August 5, 2004. Many recommendations from that Forum have come to fruition, including:

- The Maryland Agricultural Land Preservation Foundation was expanded to include a broad array of equine activities as acceptable uses of preserved properties
- Equine activities were defined in law as agricultural activities
- The Maryland Horse Industry Board (MHIB) was strengthened through legislation guaranteeing it a solid revenue stream

Then following the August 6, 2009 Forum, these developments occurred:

- Plans for a statewide marketing initiative were made and implemented by MHIB
- New efforts were begun to unite the racing and non-racing sides of our industry
- The Maryland Horse Council's (MHC) Unwanted Horse Project created the Maryland Fund For Horses, a 501 c (3) charity working to address the problem of unwanted horses
- MHC's Farm Stewardship Committee made great strides in public and official appreciation of the environmental benefits of well managed horse farms
- MHIB renewed efforts to establish the Maryland Horse Park by studying the idea of improving existing equine facilities and combining them into a statewide system
- MHC's "Save The Horse Farms" campaign was begun to focus on overly restrictive county and local zoning rules

For the 2014 Forum, horse industry stakeholders were surveyed and it was decided to expand the format to introduce a variety of national leaders to report on equestrian trends and issues throughout the country as well as hold four tracks of discussions, in two sessions (one morning, one afternoon) concerning these four main topics:

- Marketing and Promotion
- Business and Regulatory
- Land, Greenways and Going Green
- Managing the Maryland Horse Population

As you read through this report, focus on what you can do with this information to grow and improve the Maryland horse industry. Our industry is part of Maryland's past, present, and as Marylanders we intend to foster its prosperity into the future for the betterment of our State.

TRACK: Business & Regulatory

TOPIC: Insurance & Liability

Primary Participants: Farm and stable owners, lawyers and insurance agents.

Introduction: This session was a provocative and spirited discussion regarding the current state of Maryland law as well as insurance cost and availability for farms and businesses. Participants were encouraged to voice their opinions on a number of issues and to make recommendations on how Maryland law and insurance practice might evolve in the future to provide greater protection for Maryland's equestrian community on a more affordable basis.

The discussion focused primarily on the high cost and difficulty of obtaining workers' compensation and liability insurance. Participants were eager to discuss various methods for protecting themselves against the threat of litigation. Participants were equally concerned with securing affordable insurance options.

Issues Presented

- Commercial Liability Insurance remains expensive and in some cases difficult to obtain.
- Workers Compensation Insurance covering on the job injuries of employees is extraordinarily expensive, even for farms and businesses with few or no claims.
- Farms often use "volunteer," barter, or erroneously designated independent contractors. This can result in employees being denied worker's compensation coverage, and employers being assessed fines and penalties
- Part of the reason for the high cost of both liability and workers' compensation insurance is the limited pool of coverage providers.
- There was brief discussion of a Maryland Horse Council investigation into a privately-run self-insurance program for workers' compensation coverage. The conclusion by underwriters is that the pool is not big enough for dispersing risk; the wide disparity of "best management methods" may have also been a factor. This investigation was in response to a recommendation from the 2009 Maryland Horse Forum.
- Some insurance companies may not cover out-of-state activities.
- It is believed that farms and stables have high premiums because they are lumped in with racing stables in the national workers' compensation rating system (NCCI). However, Maryland's state-run provider is not in the "NCCI" rating system.
- Racing and non-racing stables generally have different levels of risk.
- Maryland is one of the few states that has not enacted an Equine liability law.
- In those states that do have equine liability statutes, lack of definitional clarity has led to certain unforeseen legal issues, including
 - certain types of equine activities inadvertently being left out
 - not clear who is a "professional" as that term relates to operators, trainers or instructors
 - this has led to a false sense of security for both operator and consumer
- There was debate regarding insurance rates in states with equine limited liability laws vs states without. MHC research in mid-to-late 2000s indicates no difference, as the rates are established on national basis.
- Liability exposure in Maryland is generally managed through:
 - current contributory negligence standard
 - current Maryland Recreational Act statute
 - legal doctrines of "assumption of risk" and "last clear chance"
 - strong legal agreements (including but not limited to liability waivers, and boarding, lesson and/or training agreements)

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- adequate commercial liability coverage
- Maryland is one of a small minority of jurisdictions in this country that adheres to the contributory negligence liability standard in deciding legal damage awards, as opposed to a comparative negligence standard.
- There was discussion as to whether or not it would be beneficial if the state required certain standard waivers of liability forms specific to Maryland.
- Some participants were confused about when commercial liability coverage is required/ should be maintained.
- The adequacy of liability insurance found within Homeowner's Policies was discussed. Some Homeowner's Policies MAY cover personal use of horse (never commercial use).
- Some participants had questions about obtaining coverage for equestrian events.
- Maryland's "Recreation Act" statute protects landowners who allow their land to be used for sporting or recreational purposes, as long as they do not charge a fee.

Recommended Solutions:

- We need more realistic classification of equine businesses for purposes of workers' compensation, and/or explore other reasons why premiums are so high.
- Some members of the community believe lawmakers should consider enacting an Equine Liability Law, similar to those enacted in neighboring states, to provide additional protections for the horse community.
- Manage litigation risk through the development and consistent use of uniform liability and release forms.
- Consider development of industry-wide best management practices for minimizing risk.

Summary Recommendations

1. The primary area of concern for participants during the session was the availability and affordability of Workers' Compensation Insurance in Maryland. Participants were concerned about the lack of

affordable choices and rates. The possibility of adopting best practice standards, which has helped to lower insurance rates, was also discussed, as was a private self-insurance program. Follow up on offer from Sandra Castagna, Associate Commissioner, Property & Casualty, Maryland Insurance Administration, to assist industry with ensuring correct NCCI classifications.

2. Maryland's common law contributory negligence standard should be preserved and efforts to adopt a comparative negligence standard should be rejected.

3. Measures should be taken by the industry that would help to reduce insurance rates, including but not limited to formulating uniform best practice standards and adopting them.

EXECUTIVE SUMMARY**MARYLAND HORSE FORUM 2014****TRACK: Business & Regulatory****TOPIC: Insurance & Liability**

Many horse businesses are increasingly burdened by the high cost of Workers' Compensation Insurance premiums. In addition, protecting horse businesses from the threat of litigation is a key concern of the industry due to the unpredictability of horses themselves, and the unavoidable dangers of the farms or stables in which they are kept.

Many equine businesses cannot afford the cost of a prolonged court case, or even the high cost of insurance for simply protecting their investments from unexpected, catastrophic loss.

Many equine businesses are also increasingly burdened by the high cost of workers' compensation premiums.

Some suggestions to mitigate these issues are:

- Maintaining Maryland's Contributory Negligence standard is of utmost importance.
- Continuing to study the issues associated with instituting a special interest Equine Limited Liability statute, and the risk such a law might have on existing standards of negligence.
- Encouraging horse businesses to implement measures to protect their operations,

including the use of signs, waivers, legal agreements and other business documents.

- Work to ensure that horse business owners are aware of the various employee classifications

for workers' compensation premiums, and that they make sure that their employees are correctly classified.

TRACK: Business & Regulatory

TOPIC: Labor, Employment & Workers' Comp

Primary Participants: Stable and farm owners, lawyers and insurance agents.

Introduction:

The success of the Maryland horse industry depends largely upon the individuals and entities that are employed within it. Horse breeders, stable managers, training facilities, horse shows and equestrian events, and private farm owners hire both trained and untrained labor to help them successfully run their horse operations. As with many other agricultural industries, there is a high dependence on hiring foreign workers to fill labor demands not met by American workers. However, unlike other ag industries, there is also a high dependence on part-time labor supplied by enthusiasts (either the gainfully employed clients of stables or young adults still in school). Likewise, unpaid working student and barter agreements continue to abound in the industry. Confusion continues regarding employment definitions, (e.g., "employee" vs "independent contractor") for purposes of workers' compensation insurance, payroll taxes and more.

Issues Presented:

(1) Labor & Employment

a. Foreign Workers Programs: H2A

"temporary agricultural workers" visas and H2B "temporary nonagricultural workers" visas:

These visa programs are primarily used in larger horse barns (breeders, racing, large show barns). A bill to offer some program improvements (to keep workers in US longer) passed the US Senate, but not the House. Congressman Harris is sponsoring returning worker bill.

There is a general lack of awareness or understanding of these programs by business owners. There are also problems created by an ongoing political limbo of certain programs, which creates a disincentive for business owners to invest the time in obtaining and training these workers.

b. Finding/hiring domestic unskilled labor (to muck stalls, mend fences, etc.):

Owners or operators of equine businesses find that it is challenging to find full-time domestic labor willing to take the horse industry's low-level or low-paying jobs; some resort to undocumented workers. Unskilled workers are difficult to obtain and retain. High school or college students are sometimes available part time or summers, but are often not interested in full time or long term employment. Some barns offer bartering of lessons, boarding or training in exchange for work, but the IRS maintains that bartered services are reportable income/business expenses.

c. Finding/hiring knowledgeable (i.e., skilled or semi-skilled) workforce:

Graduates of equine business and stable management educational programs are often unwilling to perform manual labor. Stable owners often find their hands-on animal husbandry skills and experience lacking. Graduates' salary expectations are unrealistic.

d. Racing businesses need better trained

BUSINESS & REGULATORY

- exercise riders, to ensure that expensive race horses are properly ridden and handled, so that the training already invested in the horses can be preserved.
- e. Some employers misuse the labor term “independent contractor” to try to avoid paying payroll taxes and workers’ compensation insurance premiums.
 - f. Labor force expenses make it difficult to make a profit:
 - Workers Compensation Insurance
 - Employer payroll taxes and payroll contributions
 - Other (general liability insurance, or other benefits such as housing or transportation or health insurance)
 - reporting as income requirements for bartered services
 - g. Basic information about farms and horses seems to be lacking more than ever.
Possible coalition with high schools to increase basic knowledge?
 - h. Proposed certification program for Barn Managers - Who would be responsible for certification?
 - i. Certification of Instructors/Trainers – Several organizations offer certification – depends on discipline.
 - j. University of Maryland program – Facility owners/operators could not meet salary expectations of graduates.
 - k. MHIB’s “Equine Experience Centers” certification program - Potential to elevate all of the industry through example
- (2) Workers Compensation
- Employers are confused about the difference between an employee and a contractor, and the legal requirements that flow from those designations.
 - Rumor that all stables are judged by same risk/injury standards as racing stables, or are grouped with racing stables.
 - Dramatically increasing costs despite no claims.

[This topic was discussed extensively in the morning session of this track “Insurance and Liability.”]

RECOMMENDED SOLUTIONS:

- (1) Monitor current legislation regarding foreign worker programs.
- (2) Consider pros and cons of Barn Manager certification program.
- (3) Engage middle and high schools to develop “internship” programs for farm labor (new educational programs).
- (4) Provide training programs for exercise riders.

Summary Recommendations:

1. Foreign Workers Programs (H2A & H2B)
 - Lobby at the federal level for stability in the various foreign worker programs, as well as longer terms.
 - Provide education to business owners via MD Department of Labor and Maryland Department of Agriculture about accessing these programs.
 - Develop equine-related Spanish/English language classes.
2. General Labor Force/Finding/Hiring Domestic Unskilled Labor
 - Develop and/or expand farm and horse care training opportunities in vocational and high school programs, and develop corresponding job placement programs.
3. Finding/Hiring Knowledgeable Workforce
 - Develop certification programs via MHIB’s new Equine Experience Centers.
 - Develop middle and high school internship programs.
 - Develop Barn Manager Certification Program (unclear how this would be different from or in addition to the University of Maryland’s current program).
 - Develop exercise rider programs.
4. Workmen’s Compensation Insurance
 - Work with the Maryland Insurance

Administration to find solutions

- NCCI inspections for class re-evaluations
- Bring IWIF back into rating system
- Develop classification for riding/boarding stables and/or a sliding scale based on risk associated with type of equine business
- Requiring employers and employees to take safety courses.
- Pooling horse industry groups together and offer lower group rates.

EXECUTIVE SUMMARY**Business & Regulatory: Labor, Employment & Workers' Comp**

The success of the Maryland horse industry depends largely upon the individuals that are employed within it. With that in mind, the recommendations from the session are:

- Improve industry access to foreign worker programs

- Improve industry interaction with the available domestic labor force
- Develop and increase educational training for the workforce, including vocational and high school programs, horse industry specific Spanish and English classes, and improving the college and university management programs to provide more hands-on experience but also produce graduates more realistic about industry compensation
- Utilize the new MHIB Experience Centers to develop internship programs and worker education programs
- Work with the MD Insurance Administration and with various private insurers towards making workers' compensation insurance more accurately reflect the risks associated with various equine businesses, and the historical lack of claims
- Utilize State agencies to offer training on hiring foreign labor

Track: Going Green

Topic: Farm Stewardship

Moderator: Jane Thery

Introduction

The 2014 Horse Forum agenda topic “Going Green” was selected to follow up on the launch of this issue area at the 2009 Horse Forum, both to assess progress over the last five years and to update the “Going Green” initiatives within Maryland’s equine community. Overall, the level of awareness and engagement of this community on environmentally-sound land management is strong and growing. Interest is increasing in promoting open space and outdoor recreation close to urban area, as well as designing appropriate laws, regulations and assistance programs to support quality horse farm management.

There are important community resources available to horse farm owners and managers. The University of Maryland’s pasture management program has an excellent outreach component. The Soil Conservation Districts equine specialists are matching technical and financial resources to horse farm needs and are certifying more and more horse farms as agricultural conservation stewards under their Farm Stewardship Certification and Assessment Program (FSCAP). The Maryland Horse Council launched the Farm Stewardship Committee whose quarterly meetings and web postings provide information and bring together key representatives of the environmental, agricultural, business and public sector communities to focus on the important issues of horse farm stewardship. The Maryland Department of Agriculture Horse Industry Board supported a survey of horse farms and manure management service providers to take a close look at the present state and future options for composting and promoting the use of horse manure as a natural soil enhancement. There is a growing trend toward “going green” and demonstrating

that horse farms owners and managers are excellent stewards of the 527,000 acres – one quarter of Maryland’s agricultural land – where our horses live.

Issues Presented

The issues and solutions raised at the “Going Green: Farm Stewardship” session fell loosely under four recommendations:

Keep Open Land Open

- Provide more funding for land preservation, including a possible tax check-off for open space funding
- Build political support for open space
- Engage the horse community early and often in zoning decisions and master plans
- Support both publically and privately owned open space
- Improve trail access and rights-of-way for horse trails
- Promote the creation of “urban wilderness” near urban areas, including stables
- Educate the public about the value of open green space
- Explore including walking paths on horse farms for non-riders
- Include the horse community in recreation planning
- Bring horse farm owners into farm preservation committees

Promote Horse Manure Composting and the Use of Composted Horse Manure

- Provide information on how to compost
- Promote the use of horse manure as a natural, organic and renewable soil enhancement through marketing
- Explore establishing and/or expanding regional composting facilities
- Provide technical and financial assistance for manure management, including to small horse

farms

Provide Technical and Financial Assistance for Land Management

- Offer information on nutrient management plans and regulations
- Provide more resources for public agencies assisting horse farms
- Collect more data on erosion, nutrient run-off and other environmental concerns on horse farms
- Provide horse-farm specific training for agricultural extension agents

Increase the Role of Horse Farm Owners in Setting Laws, Regulations and Codes Governing Horse Farm Management

- Maintain horse farms as agricultural land under Maryland law

- Establish building codes for farm buildings that are user-friendly
- Include horse farm owners in plans for zoning and land use
- Provide more information on existing laws and regulations, including state, county and local, governing horse farms
- Increase communication between the horse community and political representatives at the local, county, state and national level on horse farm management issues
- Improve communication between the various committees (e.g. agriculture, environment, energy) that influence policy on horse farm management

Track: Land, Greenways & Going Green

Topic 2: Public Lands, Wildlife Heritage Areas, Parks & Trails

Introduction:

Thanks to Jan Berlage for moderating. Mr. Berlage is a partner at the Law Firm of Gohn Hankey Stichel & Berlage, LLP and co-authored Maryland Equine Law. Jan serves on the board for Graham Equestrian Center and is a recreational hunter. Also present was Ron MacNab with MHIB, who introduced Mr. Berlage and MHC president Jane Seigler.

The session began with a round-up of events in reference to issues raised at the Second Annual Horse Forum in 2009. What changes have occurred (positive and negative)?

1. What has changed since 2009 in reference to Trails and Public Lands? Specifically,

- a. More trails have become available thanks to organizations joining forces and chipping in to help with upkeep.
 - b. The Department of Natural Resources (DNR), within the past year, developed a five year plan to improve public lands, including drives to increase equestrian presence in state parks.
 - c. County recreational committees continue to be responsive to requests for trail maintenance and access and some are including equestrians in trail planning.
 - d. There are some campsites that have been opened to horses, could always use more
2. Problems since 2009:

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- a. While county and state governments respond well to requests and petitions, federal employees, especially the National Park Service, are non-responsive and often try to limit horse use of properties.
 - b. Access to North Track and Rocky Gorge Reservoir were threaten, but retained through equestrian resistance under the leadership of TROT.
3. Solutions?
- a. Continue to reach out to local representatives.
 - b. Can we raise awareness of changes in trails – proposed email/newsletter alert system run by the DNR.
- Current Issues and Solutions**
- 4. How do we preserve common knowledge trails, especially those that run through private lands?
 - a. GPS mapping applications on phones.
 - b. MHC and MHIB could posts trails on their website.
 - 5. How do we stay informed of changes in trail regulations? Important legislative votes? (Especially votes on Sunday hunting)?
 - a. TROT/MHC emails
 - b. Maryland Horse Council posts on their website
 - c. However, we could try to maintain a stronger social media presence through Facebook, Twitter, etc.
 - 6. How do we continue to support/grow groups such as the Fox Hunting Club, the Carriage Drives Association, the US Eventing Association, etc. which require large tracts of land for their events, especially in lieu of disappearing public lands?
 - a. Groups should band together to petition for land
 - b. Sponsor events to fund raise and raise awareness
 - 7. How do we share land – What do we do about increased Sunday hunting?
 - a. Work with other groups, including the Audubon Society and the Maryland Ornithological Society (the birders) to increase lobbying power.
 - b. Reach out to state and federal officials (especially their clerks) to raise support for Sundays safe for trail riding.
 - c. Could we get state incentives, such as easements, to encourage private landowners to allow horses to have access.
 - d. Can we raise awareness of trail etiquette?
 - e. Can there be better ways to inform and instruct safe hunting practices?
 - 8. How can we open more trails and deal with the state's lack of funding?
 - a. Volunteer trail clearers, working with other groups

Track: Managing the Maryland Horse Population Breeding Horses in Maryland

Introduction:

This session provided members of the horse industry with the opportunity to review changes to the horse breeding industry since 2009 and to discuss how to manage horse breeding in Maryland without creating additional at-risk or unwanted horses. The industry was well represented by Thoroughbred and Standardbred breeders as well as sport horse breeders from various disciplines, equine veterinarians and representatives from several associations and organizations seeking to control the population of unwanted and at-risk horses.

Statistics were presented from the 2014 Jockey Club Maryland Fact Book for Thoroughbred breeding and various national statistics collected by the American Horse Council for its 2014 Annual Issues meeting. The number of Maryland registered Thoroughbred foals has been dropping steadily since 2003, decreasing by more than 55% between 2007 and 2012 (the most recent year for which statistics are available). For the same period, nationwide registration of horses among fourteen breeds declined by 42%.

Issues Presented:

- While it seems that breeding has declined across the board, most likely as a result of changes in the economy, the group discussed how much breeding is required to keep our industry viable?
- Particularly in the racing industry, a steady pipeline of young horses must be available for the industry to thrive. Methods are needed to support demand for Maryland's racehorses in the industry to keep the breeding industry healthy. At the same time, a means for transitioning horses from racing careers to post-racing careers must be in place in order to support any increase in race horse breeding.
- Members of the group expressed concern about too much "backyard" breeding (i.e.,

low-quality horses not bred for any specific purpose), and not enough horses available to satisfy the demand for sport horses since the economic downturn in 2008. Additional discussion centered on the perceived decline in popularity of Thoroughbreds for use in competitive non-racing sports.

- Some attendees questioned whether the "live cover" rules for Thoroughbred breeding might be changed, to allow a better and broader market for Maryland stallions. Representatives from the Thoroughbred industry indicated that there currently is little or no probability that artificial insemination will become part of Thoroughbred breeding for Jockey Club registration in the near future. However, it was noted that AI breeding is not prohibited for sport horse breeding for other breed registries.

Recommendations/Resolutions:

- Currently, Thoroughbred breeding appears to be on the increase. The Maryland Horse Breeders Association shared that new incentive programs are being put in place to reward successful Maryland-bred horses.
- Continue to increase programs and incentives to increase demand for Thoroughbred and Standardbred race horses for post-racing sport careers. The Retired Racehorse Project in Maryland and several other charities have been created since the last Horse Forum and are making good progress in promoting former race horses and rewarding those that are successful in non-racing equestrian sports.
- Increase educational opportunities for those interested in horse breeding, to include education for new breeders entering the industry, education about responsible breeding and the breeder's role in helping a horse to avoid becoming at-risk for abuse/neglect or unwantedness.
- Programs to educate and encourage breeders to geld young colts – including financial

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- assistance where warranted.
- A program to track post-racing performance statistics and pedigrees of horses that retire from racing to a sport career. Sport horse breeders want to be able to access performance records for Thoroughbreds in non-racing sport to facilitate identifying stallions and their progeny that excel in equestrian sports.
 - Encourage sport and performance horse breed associations to educate their membership about purpose-driven breeding, and to continuously strive to improve the best qualities of the breed. Encourage breed associations and equestrian sport associations to collect, report and make public more data about the performance records of horses registered with breed associations.
 - Support scientific research programs to develop new practices for equine birth control to reduce unintended overbreeding.

Track: Managing the Maryland Horse Population Coping with Surplus Horses

Introduction:

This session provided members of the horse industry to re-visit issues raised during the 2009 Horse Forum, assess progress on those issues and address the current state of the industry in coping with surplus horses and any new issues that have arisen since the last Horse Forum. Representatives from horse breeding, racing, non-racing equestrian sports, horse rescues, horse welfare agencies, private horse farms and stables and the veterinary community participated in the discussion.

Issues Presented:

- Keeping horses healthy and useful longer – this discussion centered around
 - ✦ Discouraging “backyard breeding” of horses that have no intended purpose and are not suitable for most purposes.
 - ✦ Educating breeders and all horse owners about the advantages of gelding colts and stallions, and making gelding services affordable.
 - ✦ Breeding and training horses that have the physical and temperament qualities to perform more than one job throughout their lives, thus avoiding early retirement and becoming at risk for neglect.
 - ✦ Identifying certain breeds that are more likely to end up at horse auctions and exploring alternative careers for them.
- Re-homing and alternative careers
 - ✦ Participants discussed educating the public about best practices for horse evaluation and successful adoption and placement.
 - ✦ Rescues need more assistance with marketing and re-homing equines.
- End-of-life options
 - ✦ Retirement – more qualified homes for retired horses are needed. More education for horse breeders and horse owners is needed to increase awareness of responsibility for life-long care and welfare at all stages of life and ensuring a humane end-of-life for equines.
 - ✦ Since 2009 the costs of disposal have increased and availability of disposal options has decreased except in one area: composting. More research and information has become available about best practices for horse carcass composting. Concerns remain about composting horses euthanized with barbituates with regard to safety for wildlife and ground water pollution.
 - ✦ Concerns about horse slaughter and food safety. Although there are no horse slaughter and meat processing plants in the US, horses continue to be exported to Canada and Mexico for their meat. Most

of those horses were never intended for human consumption. Better methods and enforcement for tracking drugs and other compounds given to horses which make them unsuitable for human consumption are necessary.

- Maryland Horse Council and its partners in the horse industry have made progress in the following areas to implement recommendations from the 2009 Horse Forum. MHC Formed the Unwanted Horse Project in response to the horse forum and subsequently formed a non-profit organization, Maryland Fund For Horses to focus on equine welfare, education and collaboration toward resolving issues that adversely affect horses. Maryland Fund For Horses and the Unwanted Horse Project met with members of the horse community and developed an action plan for addressing equine welfare and education needs and providing solutions. As a result:
 - ✦ Maryland Fund For Horses organized a fee horse gelding clinic in 2012
 - ✦ Maryland Fund For Horses is initiating an equine medical care rebate program for horse owners in need of financial assistance in 2015.
 - ✦ Maryland Fund for Horses has initiated Maryland Responsible Horse Ownership week each May to focus attention on education about responsible horse ownership. Two educational resources have been introduced during Responsible Horse Ownership Week:
 - Safe & Sound: A resource guide for new and prospective horse owners – available at public libraries, tack and feed stores and other equine-related businesses
 - Evening Educational Webinar series – conducted nightly during Responsible Horse Ownership Week and quarterly throughout the year.
 - A youth education program about responsible horse ownership is

currently in development..

- Maryland Fund For Horses launched a website with resources for horse owners and rescues, and information about its programs, including searchable listings for Maryland licensed rescues and searchable listings of adoptable horses.

Resolutions and Recommendations:

- Build a state-wide network of people willing and qualified to help re-home or humanely euthanize/dispose of horses.
- Create and promote more horse management classes
- Continue finding ways to reach more people with educational materials – particularly individuals and “backyard” owners not affiliated with any formal organizations that provide education.
- Create promotional and educational materials about horse ownership as a long-term commitment
- Find other avenues for re-homing horses in addition to rescues
- Increase efforts to create programs to re-home horses that are more auction-prone (cart horses, working horses, mini horses) and horses that are not 100% sound.
- More networking/communicating across all participants in the horse industry.
- Incentives and programs to keep Maryland Horses out of auction houses that sell horses to “kill buyers” - provide horse owners in trouble with better alternatives.
- Consider options such as licensing for breeders and horse dealers, microchip accepted as a basic veterinary service, microchip scanning required at auction houses, and inclusion of language more protective of equine welfare in sale contracts and auction contracts.
- Support research and expansion of composting programs as a means of carcass disposal.

Track:Marketing

AM Session: Mhib Marketing Initiatives Since 2009

Introduction: Since development of a strategic marketing plan for the industry was a direct result of the 2009 Md. Horse Forum, it was decided the 2014 Forum provided an opportunity to present an update of the processes and development of that plan.

Developing the Plan: “Destination Horse”

1. Ad Hoc committee formed (9 members from both racing & non-racing sectors)
2. Mission: to stimulate the unity, influence and growth of Maryland’s horse industry through visibility, education and outreach.
3. Goals: Connect the horse community
 - Engage the public
 - Involve new partners
 - Grow the customer base
 - Track results
4. Research: Establish a Baseline
 - a. 2010 Md Horse Census—provided information on basic state of horse industry--\$5.6B assets, 79,100 horses, 16,000 places where horse are kept. Very vibrant industry but decline in # of horses (two major factors--racing: competition from nearby states with slots, non-racing recreational: 2008 Recession)
 - b. Household Survey, MD Center for Public Policy: 44.5% Md. households interested in horses, 14.1% households engaged with horses in some way as a spectator or rider. The challenge: engage the unengaged 30%
5. Developed a Common Theme: “Find A Horse. Find A Friend” to break down barrier that people should not be afraid of horses & that folks associated with horses are welcoming and not elitist.

Initiated these programs:

1. Touch of Class Award—monthly award program to showcase Maryland horses &

people who achieve national & international honors—showing quality, depth & vitality of the industry

2. Collateral Materials: Hor\$e Power brochure, annual Premier Equestrian Events Calendar, first Licensed Stable Guide, \$6,000 grant from State Highway Administration to develop horseback riding trails brochure
3. Social Media Program: FaceBook, Twitter, brought website in-house, QR Code
4. Started Affinity Group: Horse Pals to engage newcomers & re-entry folks, develop monthly events around farm tours, spectator events, riding lessons, etc.
5. Outreach: increase exposure at equestrian & non equestrian events, opened Display Window I-95 Welcome Center
6. Horse Discovery Centers: started to develop certified network of 35 Horse Discovery Centers in 15 counties at existing stables—welcoming & knowledgeable places to teach folks about horses and horsemanship to develop positive experiences
7. Horse History Projects: capturing Maryland’s proud equine heritage through programs, experiences & conversations. First History Trail (Self-guided auto trail): Horses at the Beach. Supported new film project: “Racing The Times”
8. Horse Park System: received \$49,000 grant from DBED to help fund a study to improve existing equestrian competition facilities and combine them into a statewide system

Highlighted Marketing Efforts of other Industry Groups: from racetracks to groups such as Md. Horse Breeders’ Assoc. “Colts Are Back” campaign to various efforts by several hundred licensed stables to market their businesses through Social Media, Groupon, Living Social, etc.

Track: Marketing

PM Session: Moving Forward

This session focused on soliciting input for four critical areas that will be addressed in the next five-year marketing plan for the Maryland Horse Industry.

The four areas were:

- I. **Growth Goal** – percentage of growth that is reasonable, yet attainable
- II. **Target Markets** – specific segments to prioritize in plan
- III. **Industry Unity Campaign** – get industry stakeholders unified and involved
- IV. **Marketing Methodology** – specific suggestions for marketing initiatives

I. Growth Goal

While no specific goal percentage was agreed to, 25% growth range was a central discussion point. Suggested growth percentages ranged from 18 to 30%. The discussion on range took into consideration attendees wanting to aim high balanced with the concern for meeting goal.

II. Target Markets

Suggested target markets included:

Youth segmented into 2 or 3 age subsets

Women make many financial decisions for family, empty nesters, and former riders

Grandparents have financial means and time to spend with grandkids

Families horses offer opportunity for all family members to participate as a family

III. Industry Unity Campaign

Discussion on how to effectively pull the entire horse industry together for visibility, access and show of force. Ideas and discussion were vibrant. Programs and ideas recommended:

- a) A single internet portal for horses in

Maryland: *Allow all aspects of industry; farms, businesses, associations, to connect in one location as industry show of force.*

- b) GO Ride campaign with advertising in non-horse related venues such as grocery stores, buses, schools, a touring team to promote, use of the mechanical horse, positioning the barn as a cool place for kids. NB This was marketing suggestion as well but popular idea to prompt industry unity and support.

IV. Marketing Methodology

Suggestions and discussions on specific marketing initiatives

- a) Design and implement an in-school program such as Black Stallion Literacy Project
- b) Spark community interest with new show, demo, event or touring program
- c) Tout physical benefits of horseback riding
- d) Open houses / educational tours
- e) “By the hand” partnership – bring a friend
- f) Target those who attend non-horse event at horse facilities (i.e. Medieval Times)
- g) Target Different aspects of industry may appeal to different audiences
- h) Better representation of horse sports in media
- i) Ensure safety
- j) “Horse Around” Utilize youth in industry to bring in new friends
- k) “Back to the Track” introduce horses to new audiences, use tours at tracks
- l) Public relations maximize media coverage
- m) Explore purchase and use of mechanical horse