

RURAL ENTERPRISE SERIES

RES-10

Horse Boarding Enterprise

Operating a horse boarding enterprise requires a huge commitment of money and time, even if some hired labor is used, and it may be difficult to make the operation profitable. Boarding may help offset the cost of maintaining your own personal horse(s), however, and can be more economical if the necessary structures are already in place. Successful operators usually have years of experience with all aspects of horse care before they open their businesses. Inviting people onto your land to care for and ride their horses requires a loss of privacy for the landowners. Some clients can be very demanding and particular about their horses, so operators are best served by a patient and caring demeanor.



Large pastures are required for horse turnout as provided by DRW Ranch/Horse Boarding.

Before you invest any money, find out approximately how many horses are in your area, the current number of boarding spaces filled and available in your area, and whether demand for boarding is likely to rise or fall. You could talk to your county Cooperative Extension agent, other boarding operators, feed store managers, veterinarians, and horse clubs to find out this information. If you own land in an area on the outskirts of a wealthy metropolitan area where a lot of new houses are going up, chances are the market will be there. The local planning commission can tell you about proposed and approved housing developments.

Skills and Time Needed

Successful horse boarding enterprises are typically run by people who've been around horses for many years. You'll have to recognize a sick or injured horse, know what horses need to stay healthy, and be able to spot possible dangers for horses and their owners. Many boarding facilities offer riding lessons and horse training. If you plan to do that, you need sufficient background in those skills. If a member of your team is a prize-winning participant in those activities, you can charge more for the services. You'll need to tend your pastures by testing the soil and liming or fertilizing as needed, clipping, moving electric fencing to facilitate rotational grazing, and removing poisonous plants. Stalls should be cleaned everyday and temporary manure storage pits should be cleaned out frequently. You'll have to hire someone to spread or dispose of manure or do this yourself. Operators should do regular safety inspections for potential hazards to horses and their owners. It would

be very handy and cost-efficient to have as a member of the enterprise team someone who can repair tools, tractors, and small engines.

The budget that follows assumes that the operator and family members devote 240 hours per month to the enterprise. Do the members of your team have a total of 60 hours per week to spare? Depending on the type of operation you want to have, this number will vary. A budget developed by Ohio State University assumes that each horse requires about 21 hours of work per month. This budget assumes about 39 hours of work per month per horse, including hired and family labor.

Equipment and Resources Needed

You'll need 2 to 30 acres of open land per horse. You'll need at least a simple barn and an outdoor riding area. You'll need a reliable fence in good repair. It should be at least 4.5 feet tall to discourage

jumping. You'll need a tractor, a truck, and a horse trailer. You may need a manure spreader. You'll need basic farm implements such as pitchforks and shovels, as well as feed storage bins, a bedding storage area, and a manure storage area. You'll need tack and riding and grooming gear and you may want jumping and obstacle equipment for the riding area.

Other Facilities and Operational Considerations

The facilities should be clean and attractive to customers. Ideally, you should supply restrooms and an accessible telephone for emergencies. There should be room in buildings for tack storage. Most horse owners prefer individual stalls for their horses. Depending on your state and the size of your operation, you may need to comply with manure management regulations. Check with your state department of agriculture. Each horse will produce about 45 pounds of manure per day and about 50 pounds of urine-soaked bedding.

Liability insurance can really eat up profits. Several kinds of insurance coverage are recommended for horse boarding facilities: fire and theft, commercial liability, and care, custody, and control policies. Commercial liability covers riding lessons, horse shows, etc., and property damage or injury to a third person. Care, custody, and control covers the death or injury of a horse due to your negligence. It is also a good idea to require clients to have adequate insurance coverage for their horses.



Mill Brook Farms in Lehi Utah provides riding lessons and training facilities.

Feeding regimens should be individualized for each horse, depending on its size, age, health status, degree of activity, and the weather. Full-grown horses typically eat 2 to 2.5% of their body weight in feed per day. At least 50% of the total feed should come from hay, pasture, or other forage.



DRW provides high quality hay and alfalfa with plenty of space to store it all.

Owners typically provide for routine health care, but operators still need to be alert for signs of illness or injury in the owners' absence. It is best to require that each new horse arrive with a health certificate stating that it is free from disease. You can suggest or require certain vaccinations. It may be best to establish an operation-wide deworming schedule that you take care of so you can ensure that it gets done. One horse that is not dewormed can infect all the other horses.

Marketing and Pricing

You may be able to attract sufficient business just by posting signs in local feed and tack stores and spreading the word amongst riding and horse clubs. You may want to advertise in equestrian magazines or in the farm section of the local newspaper. You might also have a brochure developed to distribute at local equestrian shows.

You might offer different levels of care at different prices, such as pasture, stall, and deluxe. The pasture arrangement usually requires that the horse have some kind of shelter and that the owner provide food to supplement the pasturing. Deluxe board might include a stall that you clean, all feed, plus basic vet care, grooming, and exercising. Boarding for a horse with a health problem is usually much more expensive.

Financial Picture

The budget presented here is for a fairly high-end enterprise. It includes costs for all new facilities—a barn, a run-in shed, a riding arena, and an indoor arena. Under this scenario, the operation is deeply in the red. Reducing costs or increasing revenues could improve the profitability. Revenues from training, riding lessons, trailering, leases, and sales commis-

sions are not included because they are very variable and will depend on the operator's commitment to developing each of these options.

Of course there are economies of scale in horse boarding, as in everything. So if your family already has a horse or two and the required facilities, you can offset the cost of owning your own horse by boarding others' horses.



"Chaser" at Georges Mill
Bed & Breakfast.

Information Resources

All About Horses. Pleasure/Recreational Horse Budget Guide. <<http://www.allabouthorses.com/care/budget.html>>

Comerford, P. et al. 1994. Boarding Horses. Agricultural Alternatives. Penn State University, University Park, PA. <<http://agalternatives.aers.psu.edu/livestock/horses/index.htm>>

Moore, R. 1999. Horse Boarding Budget. Ohio State University Extension, Columbus, OH. <<http://aede.ag.ohio-state.edu/people/moore.301/horse/index.htm>>

Equine Studies Program at the University of Maryland. www.equinestudies.umd.edu.

DRW Ranch/Horse Boarding, Castle Rock, CO. www.drwhorseboarding.com.

Mill Brook Farms, Lehi, UT. www.millbrookfarms.com

Georges Mill Bed & Breakfast, Lovettsville, VA. www.georgesmill.com.

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SAMPLE HORSE BOARDING BUDGET *Source: Somerford, D, 1994*

Based on boarding 10 horses

	monthly/horse	yearly/ horse	monthly 10 horses	total/yr.- 10 horses
REVENUES				
Board (\$150-500/mo.)	250	2,500.00	2,500.00	25,000.00
Training (\$350-700/mo.)*				
Lessons (\$20-50/hr.)				
Trailing (\$1-\$2/loaded mile)				
Lease (\$199-300/mo.)				
Sales commission (10-20% of sale)				
Specialized care (\$30-500/mo.)				
Total revenues				25,000.00
VARIABLE COSTS				
Feed requirements:				
Commercial feed (\$6-\$10/50-lb bag; 6lb/horse/day)	29.20	350.4	3,504.00	3,504.00
Hay (\$2-\$4/bale; 1/2 bale/horse/day)	45.63	547.5	456.25	5,475.00
Supplements (\$0.25-\$0.50/day)	9.13	109.5	91.25	1,095.00
Salt (block or brick)	0.5	6	5	60
Bedding:				
Straw (\$1-3/bale); 3/4 bale/horse/day	45.63	547.5	456.25	5,475.00
or shavings (\$2-5/bale; 3/4 bale/horse/day)	91.25			
or sawdust (\$5-\$7/cubic yard)	33.8			
Hired labor (\$6-10/hr; 25 min/horse/day)	177.43	2,129.17	1,774.31	17,743.06
Repair & maintenance:				
Vehicles (\$10/mo./horse)	10	120	100	1,200.00
Pasture (40-\$80/acre; 2 ac/horse)	10	120	100	1,200.00
Building & fences (\$8/horse/mo.)	8	96	80	960
Utilities:				
Electric (\$5/horse/mo.)	5	60	50	600
Water (\$5/horse/mo.)	5	60	50	600
Replacement of supplies (\$3/horse/mo.)	3	36	30	360
Insurance: (dep. on size, location, activities)				
Care, custody, and control	8.33	100	100	1,200.00
Riding instruction	8.33	100	100	1,200.00
Commercial liability	33.33	400	400	4,800.00
Workman's compensation	10.42	125	125	1,500.00
Total variable costs				46,972.06
FIXED COSTS				
	initial investment	yrs depreciated	yr'ly depreciation	
Building & facilities:**				
Barn (10 horses)	50,000.00	10	5,000.00	
Run-in shed (10 x 25 ft.)	4,000.00	10	400	
Riding arena (100 x 200 ft.)	5,000.00	10	500	
Indoor arena (60 x 120 ft)	47,000.00	10	4,700.00	
Fencing: (10000 ft.)				
5-strand high tensile installed (\$1.75/ft)	17,500.00	10	1,750.00	
or 3-board installed (\$4/ft)		10		
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Equipment:				
Tractor (used)	8,000.00	7	1,142.86	
Manure spreader (used)	1,000.00	7	142.86	
2-horse trailer (new)	7,000.00	7	1,000.00	
4-wheel-drive truck (new)	20,000.00	7	2,857.14	
Insurance/taxes-bldgs & equip. (2%)			2,120.00	
Family labor (240 hrs/mo.)				
Total fixed costs	159,500.00		19,612.86	
Total costs			66,584.92	
Net returns			-41,584.92	
* Does not include boarding				
** New construction, barn, and arena costs will vary depending on design and materials used.				
Comerford, P. et al. 1994. Boarding Horses. Agricultural Alternatives. Penn State University, University Park, PA. < http://agalternatives.aers.psu.edu/livestock/horses/index.htm >				
Initial resource requirements				
(10 horse capacity)				
Land	25 acres			
Labor				
Hired	up to 1600 hr/yr			
Family	240 hr/mo			
Capital				
Buildings	\$50,000			
Fencing	\$10500-\$18000 (3- to 5-acre pasture)			
Riding arena	\$3000-\$10000			
Tractor (used)	\$8,000			
Truck	\$20,000			
Trailer	\$7,000			