

MEMORANDUM

To: AHC Organizational Members

From: American Horse council

Re: Horse Industry Leaders Meet with Agriculture Secretary Veneman

Date: May 4, 2004

Two dozen horse industry leaders met with Department of Agriculture Secretary Ann Veneman in her office during the National Issues Forum of the American Horse Council. The meeting lasted 45 minutes and Secretary Veneman was very interested, engaged and generous with her time. USDA Under Secretary Bill Hawks, Deputy Under Secretary Floyd Gaibler, and Chief of Staff Dale Moore were also present.

The meeting provided the industry representatives with an opportunity to explain to the Secretary and her staff the economic importance of the horse industry; how we are participating in the Department's initiative to develop a national identification system for livestock; our efforts to make horses eligible for federal disaster assistance; and the importance of the USDA's upcoming meetings with our European Union trading partners.

Economics of the Industry

Jay Hickey, of the AHC, began the meeting with an overview of the economic size and importance of the horse industry in the U.S., noting it involves 6.9 million horses, 7 million Americans, has an economic effect of \$112 billion, supports 1.4 million jobs and pays over \$2 billion in taxes at various levels. He also pointed out that the median income of horse-owning families is \$60,000, illustrating that the backbone of the industry is average Americans.

National Animal Identification and the Horse Industry

Several members of the AHC Task Force on Equine Identification were present and updated the Secretary on the involvement of the horse industry in the Department's efforts to institute a national ID system for livestock in case of a disease outbreak.

Dan Fick, of The Jockey Club and chair of the Task Force, explained that the horse industry had held several meetings and saw benefits to a national identification system involving the horse industry. He noted that there were still many critical issues to be considered and resolved.

Dr. Jim Morehead, of the American Association of Equine Practitioners and chair of the Premises ID Subcommittee of the Task Force, explained that one of the many difficult issues to be fleshed out was the definition of a "premises" for the horse industry. He explained that under the proposed ID system a "premises" for the horse industry could be quite different from that for other livestock groups. Dr. Morehead noted that there could be many more locations involved

and that the Subcommittee was trying to define such locations and identify the potential responsibilities of any “premises manager” under a national identification system.

Ward Stutz, of the American Quarter Horse Association and chair of the Tracking/Movement Subcommittee, explained that horses move more frequently than other animals and often individually, thus making the task of tracking their movement difficult.

Dr. Mary Giddens, of the Dutch Warmblood Stud Book in North America and a member of the ID Number and Technology Subcommittee, explained that the industry was trying to determine what numbers could be used for the national system, noting that the Universal Equine Life Number was certainly part of the mix.

Cindy Schonholtz, of the professional Rodeo Cowboys Association and chair of the Subcommittee on Communications, told the Secretary that explaining the national ID plan, what was being proposed, its current status and how it would apply to the horse industry was a very important task and that the industry was doing this.

Ms. Schonholtz also explained that the confidentiality of any information collected through the system was very important to the horse industry. An exemption from the Freedom of Information Act (FOIA) should be ensured before any system is mandated, she suggested.

Amy Mann, of the AHC, also noted that the cost of a national identification system would be considerable. She suggested that federal funds to assist livestock sectors to set up and operate a system would be essential to any program’s success.

The Secretary expressed appreciation for the industry’s involvement. She agreed that there seemed to be confusion among some horse owners about the ID system, noting that many of the comments that the USDA had received from horse owners on the national animal identification plan indicated a misunderstanding as to what was being proposed. Secretary Veneman also said that a voluntary system would be initiated before a mandatory system was instituted by USDA. The Secretary also noted that confidentiality was a primary concern of the Department, as was cost and funding.

Disaster Relief for the Horse Industry

Ward Stutz and David Switzer, of the Kentucky Thoroughbred Association, explained that the horse industry has been working to have all horses included among the agricultural products that are eligible for federal emergency relief in case of a disaster. The problems that the industry has faced when an area has been struck by a disaster are the same as other livestock and crop producers, but horse owners are ineligible for the federal relief that other agricultural producers receive.

Mr. Switzer noted that a special federal appropriation was needed to help Kentucky horseowners who suffered losses caused by the 2001 outbreak of Mare Reproductive Loss Syndrome. That had a \$336 million negative economic impact on central Kentucky, he noted.

Mr. Stutz pointed out that many cattle breeders in the Southwest are eligible for drought relief and feed assistance, but horse owners in the same area are not. That is inequitable, he said.

The Secretary was aware of this issue and appeared sympathetic.

Upcoming USDA Meetings with EU

Dr. Peter Timmone, of the Department of Veterinary Science, University of Kentucky, discussed the importance of the upcoming meetings between representatives of the USDA's Veterinary Services and the European Union. He expressed concerns regarding some of the issues that might be discussed.

Dr. Timmone noted that ten new countries will be admitted to the EU shortly and there are no intra-community restrictions on trade in livestock, including horses. But the veterinary infrastructure in some of those new countries is not equivalent to that of the existing members states. Because of the potential trade implications to the U.S., the American horse industry is concerned over the introduction of equine diseases into the US. He suggested that special precautions be considered to minimize any risk.

Dr. Timmone also noted that the horse industry is concerned over efforts of the EU to eliminate some USDA quarantine restrictions on the importation of horses. Any request by the EU representatives to eliminate a post-entry test for Dourine and Glanders, for example, would be opposed by the U.S. industry.

Amy Mann, of the AHC, also noted the continuing concern with the regulations imposed by the EU in connection with Equine Viral Arteritis. The continued prohibition on the importation into the EU of carrier stallions, some of which originated in the EU, while allowing the use of domestic carrier stallions could be considered a restriction of trade.

The Secretary and her staff appeared very appreciative of the opportunity to hear first-hand of the concerns of the horse industry.

A complete list of the industry attendees follows:

- Jim Barton - American Quarter Horse Association – AHC Trustee
- Dr. Marvin Beeman - American Association of Equine Pract. – AHC Trustee
- Dr. Jerry Black – American Association of Equine Practitioners – AHC Trustee
- Dr. Larry Bramlage - American Association of Equine Practitioners
- Tim Case - American Quarter Horse Association
- Dan Fick - The Jockey Club
- David Foley – Ex. Director - American Association of Equine Practitioners
- Dr. Mary Giddens - Dutch Warmblood Stud Book in North America
- Jay Hickey – President – American Horse Council
- Amy Mann – Director of Health and Reg. Affairs – American Horse Council
- Dr. Jim Morehead - American Association of Equine Practitioners
- Fred Noe – Executive Vice President – US Trotting Association

- Cindy Schonholtz - Professional Rodeo Cowboys Association
- Jim Shoemake – American Quarter Horse Association – AHC Trustee
- Eric Strauss – US Equestrian Federation – AHC Trustee
- Ward Stutz - American Quarter Horse Association
- David Switzer – Kentucky Thoroughbred Association
- Dr. Peter Timmone – Dept. of Veterinary Science, University of Kentucky
- Scoop Vessels - American Quarter Horse Association
- Jerry Windham - American Quarter Horse Association – AHC Trust