Deloitte.

Analysis of the NI Equine Industry

Breaking new ground

June 7th 2019

Contents

Glossary

Abbreviation	Meaning
AFBI	Agri-Food and Biosciences Institute
BHA	British Horseracing Authority
BHS	British Horse Society
Bloodstock	A collective term for thoroughbred horses.
Bridleway	A path, trail or a thoroughfare that is used by people riding on horses
Broodmare	A mare used for breeding
CAFRE	College of Agriculture, Food and Rural Enterprise
DAERA	Department of Agriculture, Environment and Rural Affairs
DAFM	Department of Agriculture, Food and the Marine
DARD	Department of Agriculture and Rural Development
DCAL	Department of Culture, Arts and Leisure
Dressage	A form of riding that tests the horse and rider to perform difficult manoeuvres based around a horse's natural movements
ECNI	Equine Council NI
Eventing	An event where horse and rider compete across the three disciplines of dressage, cross-country, and show jumping.
Farrier	A smith who shoes horses.
Foal	A young horse
FTE	Full Time Equivalent
Groom	A person employed to take care of horses.
HRI	Horse Racing Ireland
HSI	Horse Sport Ireland
ILDRA	Irish Long Distance Riding Association
IHR	Irish Horse Register
ITBA	Irish Thoroughbred Breeders Association
LBO	Licensed Betting Office
Livery	A stable where horses are kept
Mare	A female horse.
NI	NI
NIHB	NI Horse Board
PfG	Programme for Government
Point to point	A form of amateur horse racing over fences held at a variety of Point-to-Point racecourses throughout Ireland and the UK.
R&D	Research and Development
RDA	Riding for the Disabled Association
RoI	Republic of Ireland
Saddlery	The work of making, repairing, or selling saddles and other equipment for horses
SBRI	Small Business Research Initiative
Show jumping	An Olympic discipline testing horse and rider for ability to jump over obstacles
Sport horse	Horses bred for the traditional Olympic equestrian sporting events of dressage, eventing and show jumping.
Stallion	A male horse.
Studbook	A register of horses of a specific breed
Tack shop	An equestrian supply store
Thoroughbred	A horse breed best known for its use in horse racing

TREC	A sport to test a horse and rider in planning and executing a long distance ride in an unfamiliar country.
URRA	Ulster Rural Riders Association

Executive summary

Background and context

Deloitte was appointed by the Department of Agriculture, Environment and Rural Affairs (DAERA), to undertake an analysis of the current and potential economic value of the equine industry in Northern Ireland (NI), to develop the sector in line with the objectives outlined in the draft Programme for Government (PfG) 2016-21 and subsequent Outcome Delivery Plan.

The scope of the work was set out in the Instructions to Tenderers (ITT) as follows:

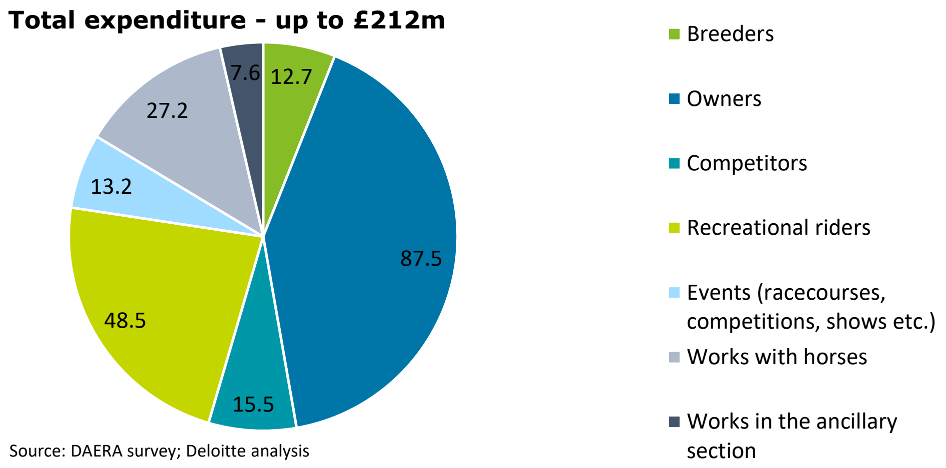
- An assessment of the economic value of the NI equine industry including a baseline in respect of the contribution made by the equine industry to annual expenditure within NI and to provide the total number of jobs attributable to the equine industry.
- A review of the industry structure.
- A plan for industry growth and promotion including an analysis of the economic value of the industry in relation to areas of potential growth and development are required in order to exploit the economic potential of the NI equine industry. Provide the equine industry with a framework to identify and develop improvements and enable improved engagement and collaboration between industry and government, with potential economic and social benefits for NI.
- Recommendations for improvement, including areas of potential growth and development, to provide economic opportunities to drive the industry forward.

Value of the industry

Direct expenditure generated by the core equine industry in NI is estimated at **£170m to £212m per year.** This can be apportioned to the thoroughbred and non-thoroughbred sectors and their respective stakeholders as demonstrated below.

The non-thoroughbred sector represents the large majority (£187m, 88% of upper estimate). While the thoroughbred industry makes up 12% (£25m) of total expenditure, it accounts for only 6% of the equine population. This is due to higher costs associated with breeding, keeping and training thoroughbreds.

Figure 0.1: Total value of NI Equine sector per year



Source: DAERA survey; Deloitte analysis

Over £200m of this total is on the cost of keeping, riding and training horses, the largest items being livery/training (£37m), feed (£26m) and £21m on transport and equestrian equipment respectively.

The data used to form these economic estimates has been gathered through a combination of primary and secondary research including:

- an **online survey** open to all equine industry participants in NI. Nearly 800 industry participants completed the survey via the DAERA Citizen Space tool, providing the primary source of data;
- **existing reports and studies** on the equine industry;
- **consultations** with over 30 equine industry stakeholders; and
- **data and information** supplied by equine industry stakeholders and DAERA.

An estimate of 34,250 has been used for the total NI equine population (from the College of Agriculture, Food and Rural Enterprise (CAFRE) *Baseline Study of the NI Equine Industry 2015/16*). The split of this amongst the various categories of horses as determined from publicly available information and survey responses is as follows:

Table 0.1: Horse population estimate breakdown

Breed	Category/ownership of horse	Estimated number
Non-thoroughbred	Breeders	1,100
	Sport/competition horses	2,230
	Recreational	23,850
	Ancillary	5,120
Thoroughbred	Breeders	1,140
	Owners (i.e. in training)	810
TOTAL		**34,250**

Source: CAFRE

Total employment associated with the equine industry is estimated at from 2,700 to 3,300 Full Time Equivalents (FTE). The majority of this figure will form the core equine industry, comprising those working directly with horses or working for other equine related businesses. However, due to many of the roles being part-time the number of individuals involved is likely to be higher. A small proportion of the FTE will also serve other economic sectors. Volunteering plays a critical role in the NI equine industry. Without the considerable amount of time spent by volunteers, a significant amount of equine activities and events in NI would simply not occur. In total, it is estimated that almost 1.1m hours are contributed by volunteers, equating to roughly 152,000 days per year.

Structure of the industry

The equine industry in NI is represented by around 30 organisations from across the thoroughbred, sport and recreation sectors, as well as organisations providing educational and ancillary services. Many of these organisations are small and focus on specific aspects of the sector.

The industry is structured on an all-island basis, with most organisations and associations coming under the governing bodies of Horse Racing Ireland (HRI), for the thoroughbred and racing industry, or Horse Sport Ireland (HSI), for sport and competition horses. This reflects the make-up of activities in equestrianism, with a distinction typically between the thoroughbred sector and the sport and recreation sectors.

The study identified varying levels of collaboration among organisations within NI with substantial room for improvement. Engagement between the sector and relevant government departments, and indeed between government bodies, was similarly uncoordinated despite the key benefits the sector and local public sector can offer each other.

A positive industry sub-sector is Education, mainly provided by DAERA's CAFRE Enniskillen campus. This focuses on the equine industry and offers a range of courses for those looking to make a career in the sector. The employment outcomes for CAFRE BSc Equine Management graduates are positive with 93% of graduates moving into employment (58% in the equine industry).

Plan for growth

There are areas in the industry which show strong potential for growth. Similarly there are challenges, which if overcome could allow the industry to grow and have an even greater role in the NI rural economy.

Despite some notable examples, NI still lags behind other international competitors in use of technology and innovation. Similarly, while consultation highlights good examples of equine skills and business acumen in NI, there was significant room for improvement. While some of these factors are to do with culture in the industry, they are sometimes exacerbated by legislation or lack of government support. Addressing these challenges is a key opportunity for the sector to grow.

As a recreational and sport activity, horse riding has well established health benefits. Access however is a key challenge for participants in the sector. Another health benefit is equine assisted therapy. This is however mostly delivered by charities and so has not reached a critical mass of potential participants. This again offers a significant opportunity for the sector.

Recommended themes for further development

A series of themes for further consideration have been set out for the government and wider industry. These seek to release potential, and are focused on areas in which the equine sector can deliver outcomes aligned to the NI public sector objectives. The themes focus on the following areas:

- **Establish an effective forum for the equine sector**
- **Strengthening the sector: skills; accreditation; supporting veterinary practice**
- **Infrastructure**
- **Equine assisted therapy and learning services**
- **Increase quality and use of data across the industry**
- **Communication**

1 Introduction and context

1.1 Purpose of report

Deloitte was appointed by the Department of Agriculture, Environment and Rural Affairs (DAERA), to undertake an analysis of the current and potential economic value of the equine industry in NI (NI), to develop the sector in line with the objectives outlined in the Programme for Government (PfG) 2016-21.

It is important for any industry to demonstrate its size and economic value. This report determines the baseline economic value for the industry and highlights the areas which offer the most potential for growth.

As well as the overall value, it is important to understand the structures in place within the industry and whether these are best suited to achieving growth for the sector. This report will provide an overview and assessment of how the industry operates, and how various stakeholders interact.

The future growth of the industry will depend on the industry's ability to take advantage of new opportunities and to respond to some of the challenges being faced today. This analysis will conclude with a series of recommendations.

The scope of the work was set out in the Instructions to Tenderers (ITT) as follows:

- An assessment of the economic value of the NI equine industry including a baseline in respect of the contribution made by the equine industry to annual expenditure within NI and to provide the total number of jobs attributable to the equine industry.

- A review of the industry structure.

- A plan for industry growth and promotion including an analysis of the economic value of the industry in relation to areas of potential growth and development are required in order to exploit the economic potential of the NI equine industry. Provide the equine industry with a framework to identify and develop improvements and enable improved engagement and collaboration between industry and government, with potential economic and social benefits for NI.

- Recommendations for improvement, including areas of potential growth and development, to provide economic opportunities to drive the industry forward.

1.2 Background and context

1.2.1 Recent history of the industry

While the use of horses today is mainly for recreation and sport, the industry that has formed around this is diverse. It covers activity from international standard thoroughbred racing, Olympic competition, national sport competition, recreation and equine assisted therapy for individuals with physical and mental needs. This is all supported by a diverse ancillary sector. Without the commercial focus of other rural industries, there tends to be an even greater number of micro and small businesses. There are fewer participants compared to other sports and recreational activities, but strong levels of passion and commitment are evident.

The Irish equine sector has had a rich history and has become world renowned for the quality of its competitors, horses, and breeders. The sector has traditionally operated on an all-island basis. And while NI has had a key role in this history, the Republic of Ireland (RoI) has advanced at a faster pace.

The economic downturn on both sides of the border affected the equine industry. With less disposable income many participants were forced to make cutbacks. This led to a reduction in breeding and many taking a step back from the industry. Despite the economic recovery, the sector in NI has been slow to pick up. With some industry participants losing money as a result of the crash, there was hesitation in some parts to return to the industry.

The sector today has emerged from the downturn, but challenges remain. Many groups within the sector are heavily reliant on volunteers, and businesses are often unable to sufficiently invest to grow. While previous attempts have been made, there is a low level of engagement between the industry and with local and regional government in NI.

1.2.2 Programme for Government

The draft PfG 2016-21 lays out the strategic outcomes for NI Government. It sets out an approach for all of government, and focuses on delivering improvements for different aspects of people's lives, such as their economic opportunity, place within society, and relationship with the environment. Any activities undertaken by departments and any decisions taken on budget priorities should reflect the outcomes set out in the programme. The expectation is that departments would collaborate to deliver outcomes. In the absence of a functioning NI Assembly and Executive, the 2016-21 PfG remains in draft status.

In the absence of an agreed PfG, an Outcome Delivery Plan has been developed and builds on the draft PfG. It sets out the actions that departments intend to take during 2018-19. The plan's starting point is the 12 outcomes that were developed by the previous Executive.

Given that the equine industry represents a wide cross-section of NI society and operates across communities our analysis, illustrated in Table 1.1, shows that the equine industry can deliver against several of the outcomes. Further detail on this analysis is included in appendix 2.

Table 1.1: Outcome Delivery Plan 2018/19 outcomes and equine contribution

Outcome	Key opportunities for the equine sector to contribute	
	Current	Future potential
We prosper through a strong, competitive, regionally balanced economy	✓✓	✓✓✓
We live and work sustainably – protecting the environment	✓	✓✓
We have a more equal society	✓	✓
We enjoy long, healthy, active lives	✓✓	✓✓✓
We are an innovative, creative society, where people can fulfil their potential	✓	✓✓
We have more people working in better jobs	✓	✓✓
We care for others and help those in need	✓	✓✓
We are a shared welcoming and confident society that respect diversity	✓	✓
We have created a place where people want to work, visit and invest	✓	✓✓
We connect people and opportunities through our infrastructure	✓	✓✓
We give our children and young people the best start in life	✓	✓✓

Key							
None or minimal	-	Low	✓	Medium	✓✓	High	✓✓✓

Source: NICS and Deloitte

In considering the outcomes, it is clear there is potential for the equine sector to develop a broader relationship with collaboration across government. This will be further explored in the analysis in later sections.

1.2.3 Future direction of DAERA

DAERA has set its own strategic vision of

"A living, working, active landscape, valued by everyone"

This strategic vision is reflected in an annual business plan for the department, which sets out actions against each of the strategic outcomes. The four strategic outcomes are listed below:

Table 1.2: DAERA Business Plan

DAERA Business Plan Strategic Outcomes
Sustainable, Agri-Food, Fisheries, Forestry and Industrial Sectors.
A clean, healthy environment, benefiting people, nature and the economy.
A thriving rural economy, contributing to prosperity and wellbeing.
A well led, high performing organisation focused on outcomes.

Within these outcomes, the equine sector has the most potential to deliver a thriving rural economy that contributes to prosperity and wellbeing.

The key actions set by the department in the 2017/18 business plan include an analysis of the economic value of the equine industry in NI to provide input into the equine strategy and action plan:

A thriving rural economy, contributing to prosperity and wellbeing.
In partnership with government bodies and organisations, 40,000 rural dwellers to benefit through the development and implementation of measures to tackle rural poverty and social isolation
Create 150 full time equivalent jobs in rural areas using the LEADER component of the Rural Development Programme
Take receipt of the report commissioned to analyse the economic value of the equine industry in NI, including identifying areas with the potential for growth and development
Prepare an equine strategy and Action Plan, following publication of a report commissioned to analyse the economic value of the equine industry in NI, including identifying areas with the potential for growth and development

It is important to note that DAERA has a responsibility for more than just agriculture, with a commitment to develop the whole rural economy. This means encouraging enterprise, improving the environment, reducing rural poverty and tackling social isolation are key aspects of the department's strategic vision. It is in this context that the equine industry has significant potential to deliver positive outcomes. While not an agricultural animal or industry, equestrianism has a major role to play in the rural economy and so can help DAERA achieve its strategic outcomes.

It is noted that at the time of writing Brexit is creating a significant level of uncertainty, and will form a key part of the context in which DAERA seeks to deliver these strategic outcomes.

1.3 Structure of report

The report is structured in four main sections, outlined below:

- Assessing the value of the industry
- Reviewing the structure of the sector
- Outlining a plan for industry growth
- Themes for further consideration

2 Value of the industry

2.1 Introduction

This section of the report estimates the direct value of the equine industry in NI. Throughout the report the equine industry is defined as both the thoroughbred and non-thoroughbred (i.e. sport horse) sectors, including recreational equine pursuits and the ancillary industries which service both sectors.

The non-thoroughbred sector is defined as all those horses that are not registered as thoroughbreds (thoroughbreds are either reported as being in training for racing or in the care of breeders). This covers a broad array of horses of a variety of breeds, including Sport horses.

The value of the industry is estimated using key measures of activity levels such as the number of horses and people participating in equine pursuits and combining these with key economic metrics such as total expenditure, employment (including voluntary activities) and capital expenditure.

There have been a number of publications produced by key stakeholders in the NI equine industry in recent years. This report builds on the findings of these with a robust, primary research-led study to provide the industry with a baseline on which it can develop in future years.

While this report is focussed specifically on NI, it should be noted that several of the representative stakeholder groups within the industry are organised on an all-Ireland basis. For example, HSI and HRI govern activity in both the RoI and NI. Where possible, the specific activities of these organisations and their members/stakeholders in NI have therefore been disaggregated from all-Ireland totals.

This section of the report focuses on 2018 data wherever possible, commenting on current or future developments as appropriate.

The section is broken down into the following areas:

2.2 Approach – sets out the methodology used to measure the direct value of the NI equine industry including a description of primary and secondary research conducted.

2.3 Overall value of the industry – describes the total direct value of the NI equine industry, detailing how the various stakeholder groups contribute to this total.

2.4 Value of spend on non-thoroughbred equine activity – a more detailed analysis of the direct value associated with all non-thoroughbred industry participants including breeders, sport horse competitors and owners and recreational riders. While common to both thoroughbred and non-thoroughbred sectors, the ancillary sector is also analysed here.

2.5 Value of spend on thoroughbred equine activity – a more detailed analysis of the thoroughbred industry in NI and its contribution to the total direct value. This includes an analysis of the expenditure of breeders, owners and trainers, together with the two licensed racecourses and other point-to-point tracks.

2.6 Volunteering – an overview of volunteering within the equine industry, common to both thoroughbred and non-thoroughbred components.

2.7 Equine tourism – describes the current level of equine tourism in NI, noting areas of opportunity that can increase economic value in future.

2.2 Approach

This 'Value of the industry' section measures the economic activity (or "value") stimulated directly by the expenditure of participants in the equine industry in NI. This includes breeders, owners, competitors, recreational riders, racecourses (including point to point), trainers and others including equine sport consumers (both racing and sport horses).

The data included in this section has been gathered through a combination of primary and secondary research including:

- an **online survey** open to all equine industry participants in NI, including owners, competitors, recreational riders, breeders, those working in the industry and volunteers. The survey asked both quantitative (e.g. expenditure) and qualitative (e.g. views on particular aspects of the industry) questions and was promoted by the various stakeholder groups to their members. Nearly 800 industry participants completed the survey via the DAERA *Citizen Space* tool, providing the primary source of data for this section.

- **existing reports and studies** on the equine industry, or sub-components of it, in NI or on an all-Ireland basis, including:
  - CAFRE - *Baseline Study of the NI Equine Industry 2015/16*
  - NIHB – *Overview of the NI Sport Horse Industry 2018*
  - Indecon – *Review of Certain Matters relating to Horse Sport Ireland 2017*
  - UCD/HSI – *The Contribution of the Sport Horse Industry to the Irish Economy 2017*
  - HSI/Teagasc/RDS – *Reaching New Heights: Reports of the Irish Sport Horse Industry Strategy Committee 2015*
  - HRI/Deloitte – *Economic Impact of Irish Breeding and Racing 2017*
- **consultations** with equine industry stakeholders – over 30 consultations were conducted covering a wide range of different stakeholder groups (please see the Disclaimer section at the end of this report for list of all organisations consulted with);
- **data and information** supplied by equine industry stakeholders and DAERA.

This section of the report focuses on 2018, the year in which the primary research was carried out, although for some areas of data collation, e.g. within the thoroughbred industry, data from 2017 (the most recent year available) has been used.

In determining the "value" of any industry it is normal to attempt to eliminate any double counting of expenditure in order to derive the net injection of expenditure into the NI economy. This is particularly important for the equine industry, given the often complex, and two-way, flow of funds between the participants of the industry – one participant's expenditure is often another participant's income which has been accounted for in this report.

For example, the owner of a thoroughbred horse in training will incur expenditure on training fees which will also represent a trainer's income. The trainer will also incur expenditure on feed, bedding, farriery etc. for horses in their care, but for the purposes of the estimates included in this report this has not been included in total industry expenditure as it is already accounted for as the expenditure of the owner.

The definition of expenditure will vary between participants and consumers but essentially it refers to 'new incremental' cash being injected into the wider equine industry, at each of its component 'levels'.

2.2.1 Equine population estimate

The total economic value for the equine industry has been based on the financial data provided by the 798 respondents to the online survey, but in order to estimate totals for the whole industry across NI it is necessary to extrapolate these values across the entire estimated horse population.

The viability of the various equine population data sources was assessed in order to produce as accurate an estimate of the total horse population as possible. However, as discussed later in the report, the main sources of data suggested had a number of major limitations and/or apparent inaccurate or inconsistent information (for example they did not accurately account for equine deaths or imports/exports) and as such it was not deemed appropriate to use them for this study.

The most recent estimate of the NI equine population from the publications reviewed took place in 2016 as part of the CAFRE *Baseline Study of the NI Equine Industry 2015/16*. This used a 'bottom-up' approach, obtaining the number of horses registered with a large number of stakeholder groups and supplementing these with the most recent centrally held database figures as appropriate.

In the absence of a more recent estimate, and due to the significant time that would be incurred in conducting a full review, the total figure of 34,250 from the above report has therefore been used as the reference point for the NI horse population. The split of this amongst the various categories of horses as determined from publicly available information and survey responses is as follows:

Table 2.1: Horse population estimate breakdown

Breed	Category/ownership of horse	Estimated number
Non-thoroughbred	Breeders	1,100
	Sport/competition horses	2,230
	Recreational	23,850
	Ancillary	5,120
Thoroughbred	Breeders	1,140
	Owners (i.e. in training)	810
TOTAL		**34,250**

Source: CAFRE

2.2.2 Limitations of economic estimates

Due to the methodology this economic valuation exercise has used, as detailed earlier in this *Approach* section (i.e. online survey, consultations etc.), a range of the total economic value generated by the NI equine industry has been provided, reflecting the challenges of such estimations.

While the estimates quoted in this report have been based on an appropriate methodology there are inherent limitations on the accuracy of these estimates:

- The main method of primary data collection, and only method of collecting financial information in relation to expenditure, was via the online survey. While this was circulated widely in order to get responses from as many different stakeholders as possible, there is risk that the respondents are not a representative sample of the NI equine industry. This could be for a number of reasons such as only a certain type of individual wishing to provide what could be perceived as sensitive information, or others not wishing to complete a survey online.

- As with any exercise where the general public is asked to provide information, especially where they are entering it 'free form' rather than being given a set of options to choose from, there will likely be errors in the data input process. While attempts have been made to identify and remove any anomalous results from the estimates, some are likely to have been included due to the high volume of overall data points, and as such the range given for the total economic scale of the industry reflects this margin for error.

- The approach is based on the assumption that all stakeholders owning horses in each category spend the same amount as those completing the survey. While there is no other way for estimates to be accurately obtained this of course will not be the case in reality. For example, when we have used a certain amount as an estimate to be spent per horse per year, and this amount is extrapolated across all other horses in that category in the industry, in reality the remainder of the population may have a different level of spend per horse (either higher or lower).

- As with any data gathering exercise of this type, if the survey was carried out again and completed by a different set of respondents the results may be different.

- The *Citizen Space* system used also had limitations with regard to the format and type of questions that were asked, and the flow logic that was applied. For example, this meant that respondents were only able to enter expenditure data for their main activity rather than all they participated in.

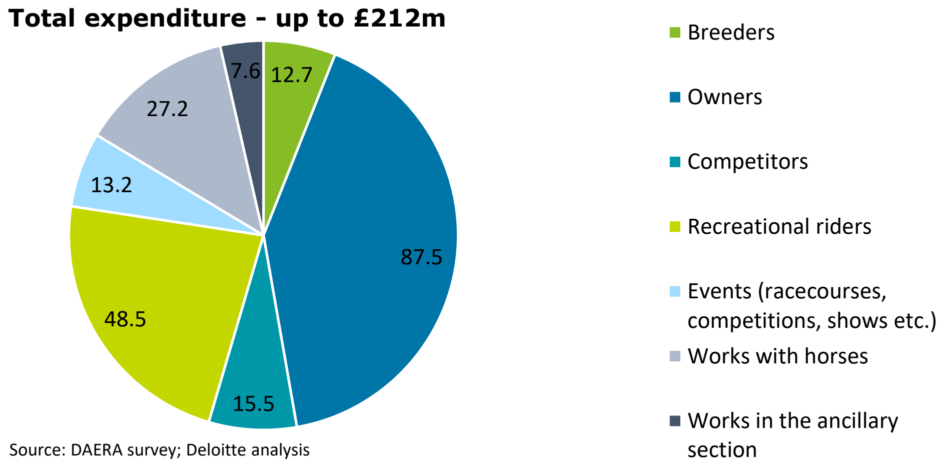
2.3 Overall value of the industry

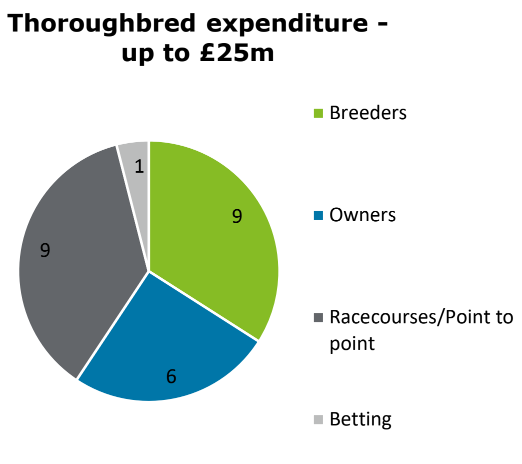
2.3.1 Direct expenditure

Direct expenditure generated by the core equine industry in NI, that is, the spending incurred in carrying out equine activities, is estimated at **£170m to £212m per year.** The lower bound reflects a judgemental 80% of the total, taking account the potential risk of self-selection as detailed in section 2.2.2 above. It would represent a false degree of accuracy if a specific figure was given based on the methodology used and data available.

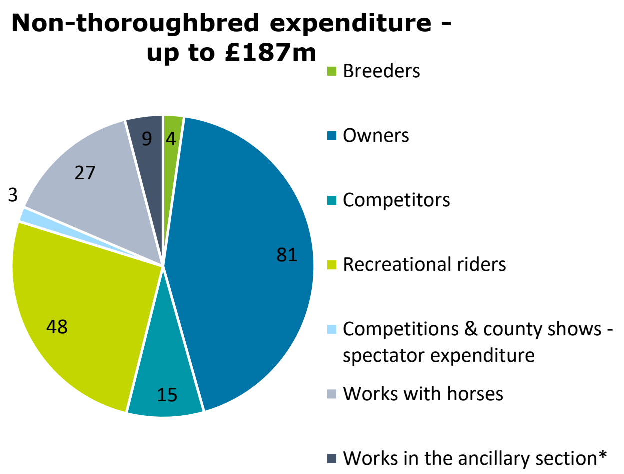
This can be apportioned to the thoroughbred and non-thoroughbred elements and their respective stakeholders as demonstrated below.

Figure 2.1: Total value of NI Equine sector per year





Source: DAERA survey; Deloitte analysis



Source: DAERA survey; Deloitte analysis

**covers both thoroughbred and non-thoroughbred*

NB – there is a considerable amount of crossover between the different stakeholder groups. The expenditure shown represents the primary activity reported by respondents. This is described further in section 2.3.5 'Other involvements'.

While the thoroughbred industry comprises 12% (£25m) of total expenditure, this comes from 6% of the equine population, with thoroughbreds generally being more costly to breed, own and train than other types of horse.

The largest proportion of overall spend comes from the owners of horses, an estimated £87m being incurred per year (41% of total equine spend). The vast majority (£81m) of this is from non-thoroughbred owners paying for the upkeep of around 32,000 horses. A more detailed breakdown of these horses is included in Section 2.4 'Value of spend on non-thoroughbred equine activity'.

Recreational riders form the next largest group, spending around £48m per year on around 11,700 horses used for recreational purposes. Individuals keeping horses as part of their business (£27m, 13% of total) are another significant group, encompasisng for example riding schools and pony clubs throughout the country.

Breeders (thoroughbred and non-thoroughbred combined) are estimated to incur expenditure of around £13m per year. This excludes the flow of funds associated with the purchase and sale of bloodstock which is discussed separately in the following section.

Almost 70% of breeders' expenditure is incurred by thoroughbred breeders in spite of them owning only just over half of the breeding stock (including foals) in NI, due to the higher costs associated with thoroughbreds, for example thoroughbred stud fees.

As shown in Table 2.2 below, of the total industry spend of up to £212m, over £200m of this is on the cost of keeping, riding and training horses. The largest individual costs in this sum include £37m on livery/training (18%), £26m on feed (13%) and £21m (10%) on both transport and equestrian equipment respectively.

Table 2.2: Total industry expenditure per category

Category	Total
Livery	£37m
Feed	£26m
Transport	£21m
Equestrian Equipment	£21m
Competition costs	£16m
Bedding	£15m
Vet/Medical	£14m
Farrier	£14m
Insurance	£11m
Other	£26m
	£201m

2.3.2 Bloodstock sales – all horses

The island of Ireland is recognised as a world leader in the breeding industry for both thoroughbred and non-thoroughbred equines, and both types of breeder are located in NI. Based on information received as part of the online stakeholder survey there are estimated to be around 700 breeders (both thoroughbred and non-thoroughbred) present.

The survey asked respondents to indicate the volume of bloodstock purchased and sold in the last five years, including the proportion of sales to owners or agents outside NI. This latter point helps estimate economic impact, i.e. funds from outside NI entering the NI economy in exchange for goods or services produced there.

Total bloodstock purchases in NI are estimated at around £14m per year. It is not possible to attribute this 'gross expenditure' generated by the purchase of bloodstock in NI as direct expenditure however, as this sum effectively represents internal flows within the industry and will also include horse purchases from outside NI (i.e. a flow of funds out of the NI economy).

The equivalent figure for bloodstock sold by Northern Irish breeders is around £5m. This is based on survey responses and extrapolated over the wider equine industry, although consultations indicated that one-off sales may lead to higher sales values in some years (indeed the study team were made aware that there have been private sales in excess of £5m for an individual horse). Over 80% of sales were stated to be to owners, breeders or agents outside of NI representing direct economic impact (i.e. a net inflow of funds) of around £4m per year. This £5m per year therefore represents the revenue of NI's breeders by which they fund the expenditure covered previously.

2.3.3 Capital expenditure

All stakeholders in the equine industry incur capital expenditure, to provide the facilities required to ensure high standards of equine welfare and requiring regular maintenance and development. Due to the predominantly rural location of most equine establishments such capital investment also provides business and resulting employment for construction and development firms across the country.

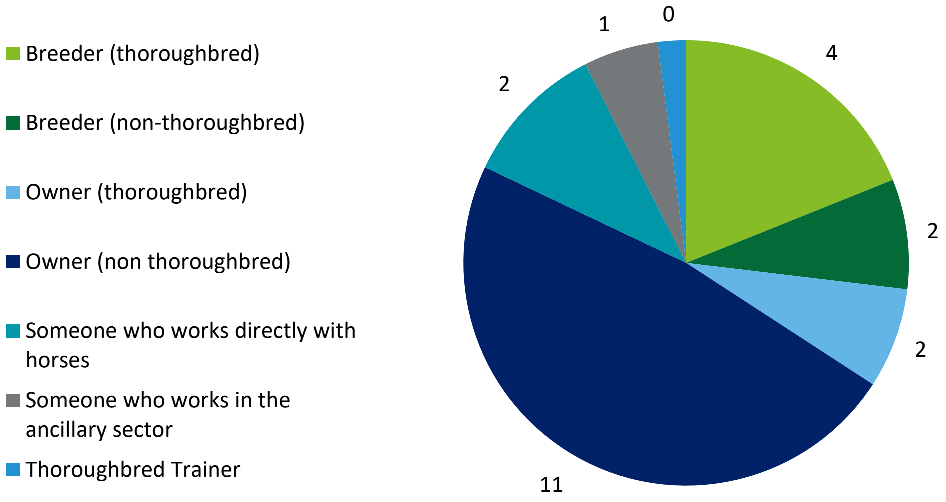
These costs will typically cover items such as:

- Stable renovation or redevelopment;
- Training facility development;
- Specialist equine equipment; and
- Vehicles (for example tractors for facilities maintenance, horse boxes)

As is standard practice when carrying out industry economic valuations, this expenditure is not included in the annual expenditure estimates, but it will still drive economic activity in the wider NI economy.

The total capital expenditure incurred by the equine industry per year is estimated to total between **£12m and £22m per year**, a range being given as per the wider economic value total given previously due to the 'self-selecting' nature of the online survey as detailed in section 2.2.2. The apportioning of the higher sum across the different types of stakeholder is shown in Figure 2.2 below, with approximately half being incurred by owners – as a function of them being responsible for the largest proportion of the total horse population.

Figure 2.2: Capital expenditure per year (£m)



2.3.4 Employment

The equine industry in NI is a significant employer across a range of economic sectors. The maintenance of a national herd of over 30,000 animals, many of which are used in a professional sporting capacity - for example, thoroughbreds for racing/breeding and non-thoroughbreds for sport horse competitions/breeding, means that a skilled and dedicated workforce is essential for the functioning of the industry.

It has not been possible to estimate a total employment figure using a 'bottom-up' approach due to a lack of data[1] and the particularly diverse range of employment types. As such a total has been estimated based on the economic value of the industry which has been applied to a NI specific employment proxy as used in the *Economic impact of Irish Breeding and Racing* report of 2017.

Total employment associated with the equine industry is estimated at between 2,700 and 3,300 Full Time Equivalents (FTE), a range being given as per the reasons previously described in 2.2.2. The majority of this figure will form the core equine industry, comprising those working directly with horses or working for other equine related businesses. However, due to many of the roles being part-time (some roles being seasonal, some event-based) the number of individuals involved is likely to be higher.

A small proportion of the FTE will also serve other economic sectors, for example, large animal vets will treat horses alongside other agricultural animals.

In addition to these roles, but not estimated as part of this study, are jobs that are supported by the expenditure of the core equine industry employees and participants in other areas of the NI economy such as local shops, restaurants, pubs and other service providers in the areas where core industry employees live and work.

[1] The approach used applies direct expenditure only. If additional data on supply chains were available, this would indicate level of import leakage, and the employment estimate would be adjusted in line with this.

2.3.5 Other involvements

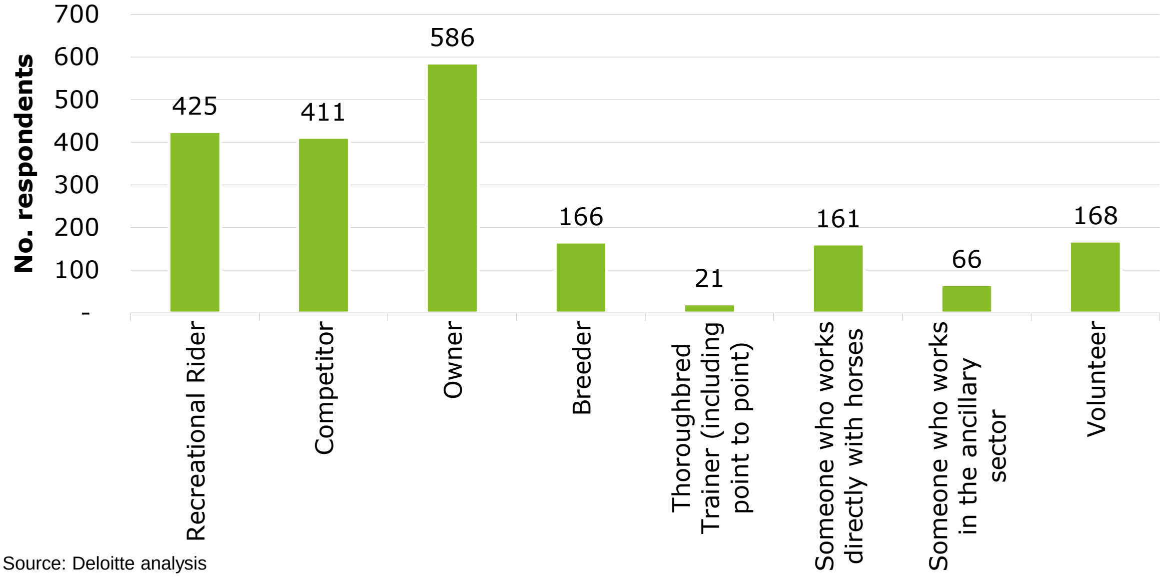
Equine industry stakeholders and participants will typically have multiple involvements across the industry. For example, individuals who consider themselves predominantly breeders may also participate in recreational riding, while those considering themselves predominantly a recreational rider may occasionally take part in competitions.

Respondents to the online survey were therefore asked to identify any other involvement they had in the equine industry, and to quantify any additional expenditure or time spent per year on these additional activities.

The 798 survey respondents indicated a total number of 'involvements' of over 2,000, implying that individuals involved in the industry on average are involved in 2.5 different roles/activities.

Figure 2.3 below indicates the most commonly quoted involvement was as an Owner (29% of all involvements recorded), followed by Recreational Rider and Competitor (both 21%).

Figure 2.3: Total "involvements" in the equine sector (from 798 respondents)



Source: Deloitte analysis

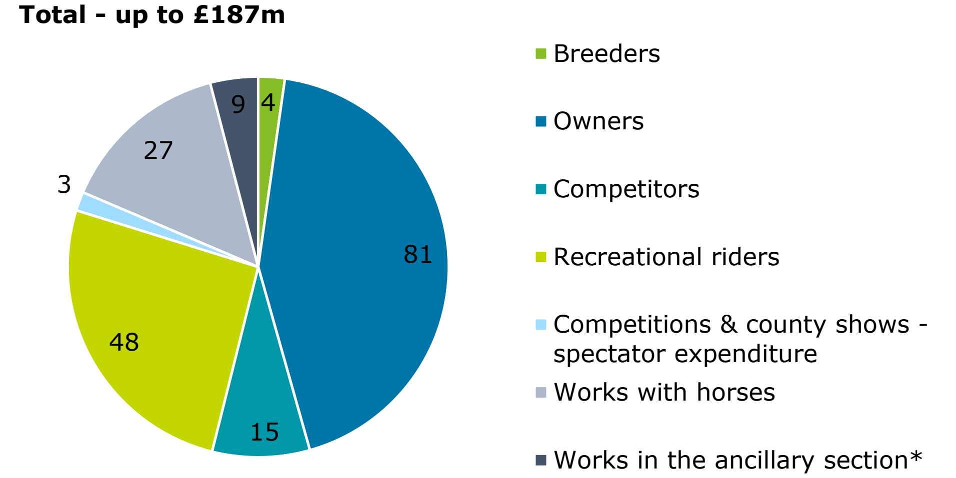
2.4 Value of spend on non-thoroughbred equine activity

The non-thoroughbred sector of the equine industry contains the vast majority of both participants and equines in NI, and although the average spend per horse is higher for thoroughbreds, the greater number of non-thoroughbreds means they form the vast majority of equine expenditure.

Based on the information provided in the online survey, and using the total equine population figure as defined previously, the total number of horses in the non-thoroughbred sector is estimated as totalling over 32,000, broken down as follows:

- Breeding stock – around 1,100
- Competition/sport horses – around 2,200
- Recreational/other – around 24,000
- Owned by/used for ancillary/business purposes – around 5,000

Figure 2.4: Non-thoroughbred expenditure per year (£m)



Source: DAERA survey; Deloitte analysis

**covers both thoroughbred and non-thoroughbred*

The non-thoroughbred sector is estimated to account for around £187m expenditure per year (88% of the total). The vast majority of this comes from owners and recreational riders paying for the upkeep of their horses via livery, feed, bedding etc. Spend by breeders, on sport/competition horses, recreational riding and ancillary sector, is discussed in further detail below.

2.4.1 Breeding

Non-thoroughbred breeders are estimated to spend around £4m per year, with an annual spend per horse of just under £4,000. The population of active breeding stock is estimated at around 1,100 animals.

The majority of breeding operations are likely to be smaller businesses run by part-time or 'hobby' breeders, although the number of these still means their economic footprint is significant, particularly in rural areas.

A key difference between the breeding of thoroughbreds and non-thoroughbreds is the method of fertilisation. Thoroughbred breeding must take place by a stallion covering a broodmare, for which the broodmare owner pays a covering or stud fee, whereas non-thoroughbred breeding is permitted to use Artificial Insemination which can significantly reduce these costs. However, as a rule all aspects of breeding, training and keeping thoroughbred horses tends to cost more than the equivalent costs for non-thoroughbreds.

The average annual expenditure per horse reported by non-thoroughbred breeders participating in the online survey is £3,818, as shown in Appendix 1.

2.4.2 Sport horses/competition

Those NI individuals participating in equestrian competitions, notably the three Olympic disciplines of Showjumping, Eventing and Dressage, are estimated to spend around £15m per year on these activities.

The number of officially registered horses for the activities named above were just over 2,200 in 2017 (as per NIHB *Overview of the NI Sport Horse Industry*), although it is likely that there will be a number of unregistered horses still being trained for these disciplines. The online survey established an average spend per horse of nearly £7,000 per year for this sector.

While not as much is spent per animal as a thoroughbred horse in training, the cost of keeping these horses that compete regularly in top domestic and international competitions is significant. The cost of competing and associated transport is the main reason for the increased costs compared to horses used for more recreational purposes.

In addition to the costs of keeping these sport horses in peak condition and preparing them for competition, equestrian events themselves also generate economic activity in NI. The most significant event with international equestrian competition in NI is the Balmoral Show, which is estimated to generate over half of the total expenditure of around £2m which competitive equestrian events generate per year - this total represents the spending of spectators in addition to those showing or competing. A significant proportion of both these groups will come from outside NI, thus representing economic impact on the country.

Although not strictly in the sport horse/competition sector county shows also create economic activity and involve numerous stakeholders within the non-thoroughbred equine industry. Around 20 shows of economic significance take place in NI each year and collectively are estimated to generate around £1m of expenditure from the spending of attendees and those showing at these events.

The average annual expenditure per horse reported by competitors participating in the online survey is £6,929, as shown in Appendix 1, with livery (i.e. general upkeep including training costs) being the most significant individual element.

2.4.3 Recreational

Owners of horses used specifically for recreational (i.e. non-competitive) activities, in addition to those horses owned by individuals who have described their main role in the industry as a 'non-thoroughbred owner', form the vast majority of the equine population of NI.

Although the cost of keeping an animal for recreational purposes is less than that of a sport horse being trained for competition, the large number of horses being kept that have been classified in this category means they form the most significant stakeholder type from an economic value perspective.

The total number of horses in this category is estimated to be nearly 24,000 (over 70% of the NI national herd as per equine population overview provided in section 2.2.1), and with a reported average spend per animal of close to £5,500 (average of Recreational and other Non-thoroughbred Owners) this results in total expenditure associated with recreational equine pursuits of around £130m per year.

The average annual expenditure per horse reported by recreational riders participating in the online survey is shown in Appendix 1. As for other non-thoroughbred categories, general livery costs form the largest individual expenditure component, at an average cost of over £1,000 per year per horse.

2.4.4 Spend in the ancillary sector

The remaining category of non-thoroughbred horse to be captured from a value perspective includes:

- Expenditure on horses by individuals using them as part of their business (for example riding schools).
- Expenditure on horses by individuals who, while for the purposes of the online survey classed themselves as working in the ancillary sector, also own horses either for business or sport/recreational purposes.

The above two categories are estimated to collectively spend around £35m per year on the upkeep of around 5,000 horses. Those working with horses directly as part of their business reported their annual spend as slightly more than those ancillary employees who also own horses, presumably due to the higher standards of welfare and equipment required.

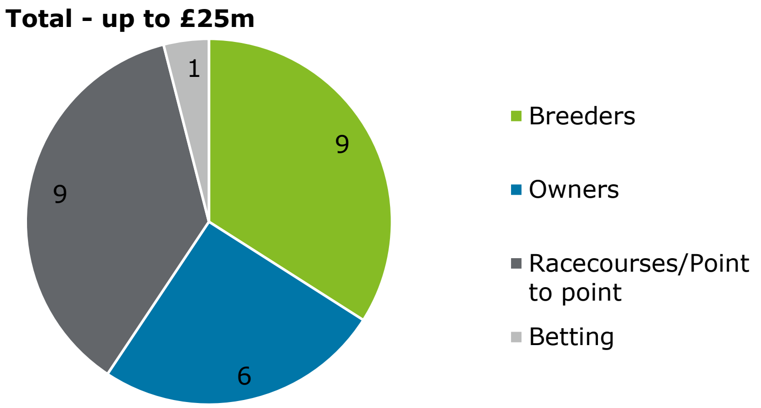
Those horses owned by individuals using them as part of their business form approximately two thirds of the 5,000, and due to the higher spend per year per horse account for close to 80% (£27m) of the total spend in this sub-sector. The highest individual element of their expenditure was equestrian equipment, most likely due to establishments such as riding schools and pony clubs purchasing multiple sets of equipment for participants.

2.5 Value of spend on thoroughbred equine activity

Thoroughbred racing on the island of Ireland is arranged on an all-island basis, with racing in NI being administered by HRI. While NI represents a small proportion of the total Irish thoroughbred industry (less than 5%) this is largely a function of the global significance of the industry in the Republic, with RoI producing more live foals on a per capita basis than any other country in the world and over 20% of the top rated Flat horses in the world in 2016 being Irish bred.

In absolute terms the NI thoroughbred industry still has a significant economic footprint and is responsible for sizeable levels of employment, being estimated to generate expenditure of around £25m per year in NI.

Figure 2.5: Thoroughbred expenditure per year (£m)



Source: DAERA survey; Deloitte

The majority of this expenditure is generated by breeders, racecourses/point-to-pointing and owners, with a small amount attributable to betting on racing.

2.5.1 Thoroughbred breeders

The £8.5m of expenditure attributable to thoroughbred breeders is due to the significantly higher spend per horse reported by thoroughbred breeders compared to the values associated with non-thoroughbreds.

The thoroughbred breeding population (broodmares, stallions and foals) was reported as 1,144 in 2017, with an average spend per horse of almost £7,500 resulting in the total of £8.5m. The average annual expenditure per horse reported by thoroughbred breeders participating in the online survey is shown in Appendix 1.

Transport costs were larger than that incurred by non-thoroughbred breeders, due to the more specific requirements of moving thoroughbreds and the larger distances thoroughbreds are transported, for example broodmares to suitable stallions for covering or to facilities for broodmares to foal, many of which will be in RoI or Great Britain.

Over £5m of capital expenditure per year is estimated to be attributable to thoroughbred breeders. This investment is required to maintain quality facilities and ensure the highest standards of equine welfare are upheld.

Thoroughbred breeders also spend over £3m per year on wages and provide jobs, many of which are in rural areas where employment opportunities are otherwise limited. Due to the seasonal nature of the thoroughbred breeding season a significant proportion of these will be part time, but the number of individuals involved at peak times will be substantial.

Thoroughbred breeders also spend considerable amounts on stud fees. However, due to the vast majority of these being on stallions standing outside NI, these sums represent a flow of funds out of the NI economy and are therefore not included in the overall value calculations.

There is only one thoroughbred stallion advertised as standing now in NI. The majority of mares travel to stallions based in ROI for cover. It is notable that 25 years ago there were 25 stallions advertised as standing in NI. Stallion handlers have been critical of the lack of support received over that period of time that has contributed to the decline.

2.5.2 Thoroughbred owners and trainers

Owners are the most significant contributors to the funding of the NI thoroughbred industry through their purchases of bloodstock and on training and keeping horses via payments to trainers, jockeys and supporting industries such as vets, farriers and transport companies. This expenditure is critical in supporting rural communities across the country.

"Owners" in this context does not relate only to individuals owning horses but also syndicates, companies, and clubs with an involvement in a thoroughbred.

The c.300 registered owners of thoroughbreds in NI (which will include a larger number of individuals with an involvement) are estimated to incur around £6m in direct expenditure. The actual expenditure incurred is nearer to £8m, but prize money won by NI owners needs to be accounted for which reduces the net sum to around £6m.

Due to thoroughbred ownership being a more discretionary type of expenditure in the majority of cases, the number of owners in Irish racing declined markedly from 2008 due to overarching economic conditions. However this decline has slowed significantly since, and registered its first increase since 2008 from 2015 to 2016.

In the vast majority of cases the expenditure incurred by thoroughbred owners will ultimately be spent by trainers. Owners pay the trainer to train their horse with additional costs such as farriery, veterinary fees, transport, race entry etc. passed on directly by the trainer to the owner. The average annual expenditure per horse reported by thoroughbred owners participating in the online survey is shown in Appendix 1.

Due to the high performance levels thoroughbred horses are trained to, costs tend to be higher than for the majority of non-thoroughbreds. For example high quality feed is required for racehorses to be kept in intensive training regimes and veterinary treatments can be expensive as only specialist vets will be employed by trainers.

As for Trainers, the number declined across the island of Ireland between 2008 and 2016 (17% decline across all of Ireland) in parallel with wider economic trends, a pattern replicated in NI.

It remains a challenging climate for trainers to maintain sustainable businesses, and NI's registered trainers has declined further to 38. These trainers will undoubtedly struggle to make their businesses break even from training fees alone, and typically rely on income from the buying and selling of horses or other forms of activity using their land such as farming to remain viable.

2.5.3 Racecourses (including point to point)

The role of NI's two racecourses as stakeholders in the equine industry – Down Royal and Downpatrick - is discussed more fully later in the report. This subsection instead describes the economic value generated by these racecourses plus other point to point courses that operate across NI.

The two racecourses plus other point to point courses are estimated to generate expenditure of around £9m per year. The vast majority of this expenditure comes from the on-course and off-course spend of around 70,000 racegoers, although it is important to note that a large proportion of on-course spend is not actually retained by the racecourses. Catering and betting expenditure is shared with catering franchises and betting operators meaning that less than half of racegoer spend is actually retained. Unsurprisingly the employment at the racecourses swells substantially on race days.

The main areas of racegoer expenditure (forming part of racecourse revenue) include:

- General admissions – entrance fees fully retained by the racecourse;
- Catering – food and beverage purchased from public bars and eating outlets; and
- Betting – on-course betting via the Tote, independent rails bookmakers and on-course betting shops. This has fallen markedly in the last 15 years, largely attributable to the increase in online and mobile betting.

In addition to the on-course expenditure generated by racecourses, associated off-course expenditure will also be incurred via racegoers on transport, food and beverage and publications etc. in local shops, pubs and restaurants before and after their time at the racecourse. Indeed, this spend is frequently greater than spend at the racecourses themselves, and while not classified as core industry expenditure, it still represents economic activity.

Off-course racegoer spending therefore comprises an important source of income for local businesses, and when the source of spending is from non-NI this represents a source of direct economic impact to the country. It is estimated that Down Royal and Downpatrick's fixtures generate around £4.5m in off-course expenditure per year, the main components being accommodation, food and beverage and transport.

Point-to-point racing is a form of amateur Jump racing, administered by the all-Ireland Turf Club, a stepping stone to running under rules at a fully licensed racecourse. A number of quality horses have graduated from Irish point-to-point racing, with a number of winners of the top jump races in Ireland and GB including multiple winners of the Cheltenham Gold Cup.

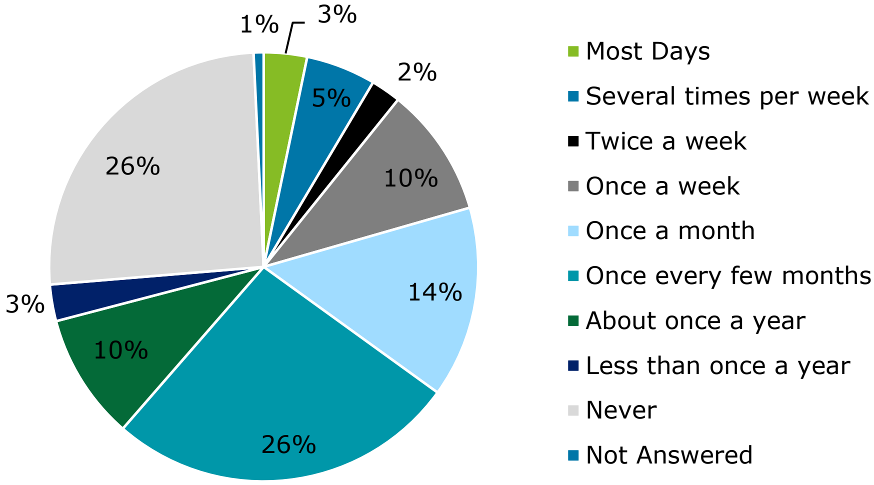
Around 20 point-to-point meetings take place in NI each year, the most high profile of these attracting over 1,000 attendees. While the costs of the owners of point-to-point horses has been included in the relevant section above, racegoer spend at these fixtures is estimated to total up to £500,000 per year.

2.6 Volunteering

This section discusses the role of volunteering in the equine industry, including an estimation of the total contribution across all types of stakeholders. Without the considerable amount of time spent by volunteers, a significant amount of equine activities and events in NI would simply not occur.

Based on online survey results, 70% of individuals involved in the equine industry volunteer at least once a year and 34% at least once a month.

Figure 2.6: "How frequently do you give up your time to volunteer in equine activities?" survey responses



Source: Deloitte analysis

In total, it is estimated that almost 1.1m hours are contributed by volunteers, equating to roughly 152,000 days per year, a significant amount of personal time that individuals donate to the equine community for free. If the value of these hours were equated to the national living wage[2] they would be worth between £4.2m (if all volunteers were paid at the apprentice rate) and £9m (if all volunteers were paid at employees over 25 year's old rate) per year.

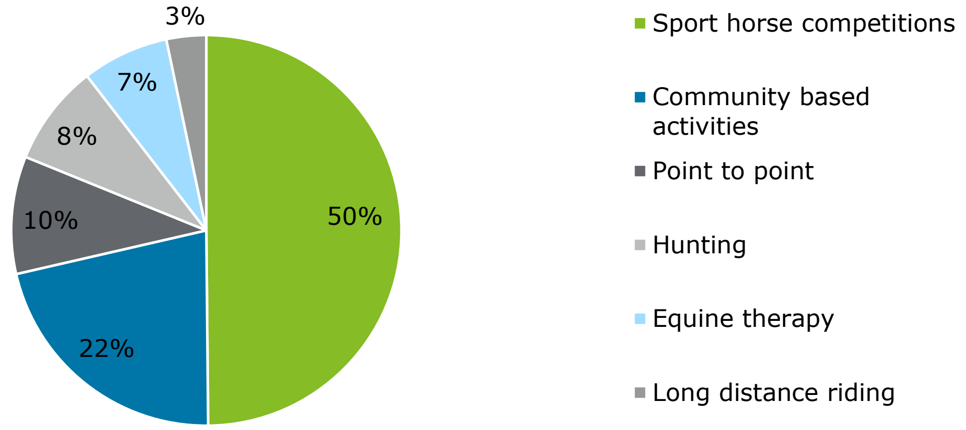
This reinforces the importance of volunteering to help sustain the industry as without these personal contributions, an equivalent investment in employment would be required to maintain a significant amount of industry activity. Volunteers also incurred over £1.0m of expenditure on their volunteering activities (for example on transport to and from events).

The events most volunteered at were sport horse competitions, with 50% of the volunteering population from the survey working at these popular events. There was also strong representation at point-to-point racing and hunting.

10% of those volunteering stated they had done so at equine therapy events. This is a growing area in assisting with recovery from physical and mental health issues, demonstrating that the equine industry has a role to play outside of a sporting/recreational capacity. For example, Riding for the Disabled (RDA), one of the largest equine therapy charities, has over 700 registered volunteers.

[2] The National Living Wage is the UK minimum wage. From April 2019 the rate for apprentices is £3.90 per hour and scales up to £8.21 for employees over 25.

Figure 2.7: Percentage split of equestrian activities volunteered at



Source: Deloitte analysis

Other activities that individuals volunteered at include:

- Riding clubs
- Riding for the disabled
- Riding club activities
- Pony days
- TREC
- Cross country hack
- Irish draught events
- Special Olympics
- Bridleway group
- Eventing Ireland
- Polo
- Dressage
- Family equine farm

A large number of these activities and events would not take place without volunteers encouraging wider participation and decreasing barriers to entry in the sport.

2.7 Equine tourism

Information provided during consultations and disclosed via the online survey indicated that while there are examples of equine related tourism taking place in NI, the scale of these is currently not significant from an economic perspective. However, as covered later in the report, there are opportunities in this area including, but not limited to the following:

- Increased development of forest facilities and bridleways to provide long distance, and most importantly off-road, riding facilities;
- Enhanced marketing of NI competitions and shows outside the country;
- Equine facilities which are of a high enough standard to attract significantly more international visitors (e.g. engagement highlighted Castlewellan, Seaforde, Castlerock, Fivemiletown) and more could be done to market these; and
- Lack of any major sales (thoroughbred or non-thoroughbred) means people tend to go to RoI by default. Establishment of a sale in NI could therefore be considered, although tax position (for example around VAT) also favours RoI as a destination for overseas visitors interested in equine pursuits.

A key source of equine tourism at present is thoroughbred racing fixtures, notably at Down Royal where the November Festival attracts overseas visitors, notably the connections of runners (from RoI and GB) and racing fans. Potential bloodstock purchasers will also visit point to point fixtures to assess prospective purchases of jump horses.

3 Structure of the industry

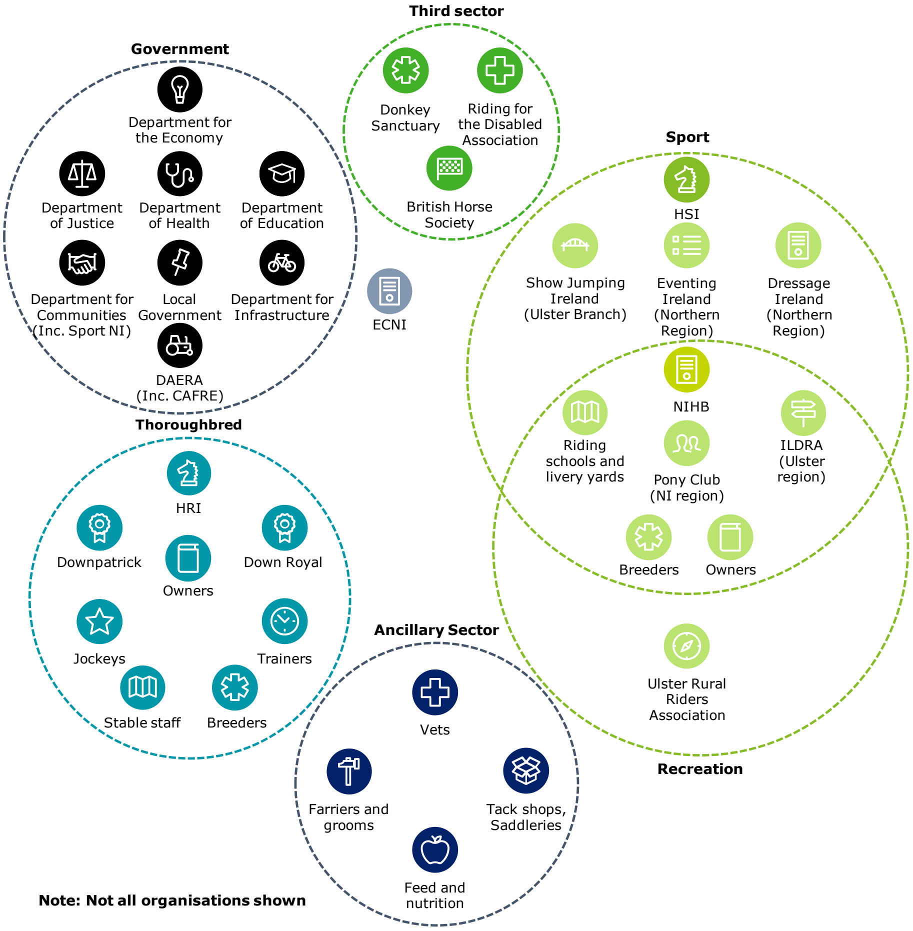
3.1 Introduction

This section reviews the structure of the NI equine industry. As well as outlining the major stakeholders, it will examine their relationships and extent of collaboration with other bodies. This will be assessed against the needs of the industry and whether it is set up to grow and support rural communities.

3.2 Overview of the sector

The equine industry in NI is represented by around 30 organisations from across the thoroughbred, sport and recreation sectors, as well as organisations providing educational and ancillary services. Many of these organisations are small and focus on specific aspects of the sector. In many cases these organisations rely on volunteers, which are highly valued but less efficient if seeking to operate like a business. The industry is structured on an all-island basis, with most organisations and associations coming under the governing bodies of HRI or HSI. This reflects the make-up of activities in equestrianism, with a distinction typically between the thoroughbred sector and the sport[3] and recreation sectors.

Figure 3.1: Structure of NI Equine sector



Source: Consultations

[3] While the description 'sport' could be applied more broadly, it is used in this instance to help describe and distinguish the sectors of the equine industry, reflecting those that include competition from those that are solely recreational in nature.

3.2.1 Previous efforts at organisation of the industry

There have been attempts to bring an industry wide voice for all of NI. In 2003 an 'Equine Sub-Group' (ESG) of the Rural Stakeholder Forum was established by DARD. The group was made up of representatives from the thoroughbred, sport, education, welfare and recreation sectors as well as providers of ancillary services. The ESG was set up to act as an advisory body to government, assist with research into the equine sector and to create and implement a strategy to develop the equine industry.

A Strategy for the Equine Industry in NI was then produced in 2007. There was a recommendation that the ESG should be reconstituted into the Equine Council for NI (ECNI), with the group forming in 2011. The group was set up to achieve the objectives set out in the strategy and coordinate funding applications to central government.

ECNI has not been fully effective, mainly due to lack of buy-in from some parts of the industry, and a perceived inability to deliver improved outcomes for participants within the sector. This can be seen in the results of the survey, which noted that 66% had little or no knowledge of ECNI. The group still exists today, though it relies on volunteers and acts mainly as a lobby group to government.

There have been other non-government led efforts at bringing together a sector wide representative body. The NI Horse Board (NIHB) has been operating since 1995 with the stated aim of giving breeders a voice in decisions relating to the Irish Horse Register and the future direction of breeding in the sport horse sector. They are approved by DAERA as an equine passport issuing organisation and have involvement with HSI, the sport horse governing body.

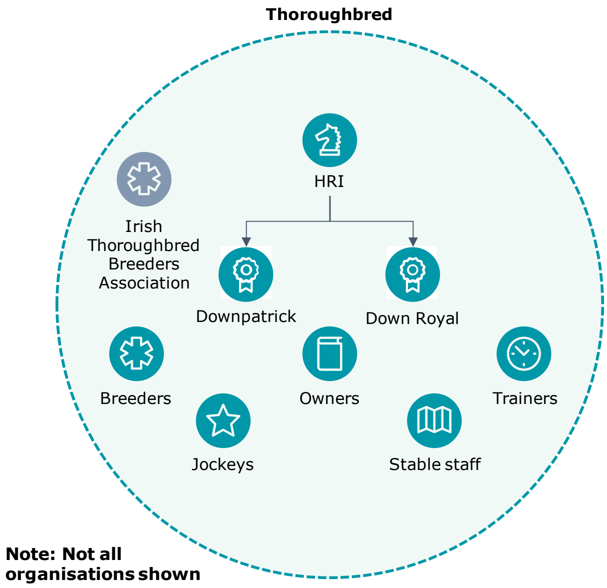
It was noted in many consultations that a new, effective voice would have some benefit, particularly when speaking to government and coordinating efforts around important issues affecting the industry.

However, many were unoptimistic about how feasible this would be, particularly given the lack of success from previous attempts.

3.3 Thoroughbred industry

The thoroughbred and racing sector is highly prestigious and as established in Section 2, generates a higher spend per horse. Because of the professionalism and higher barriers to entry, there are a smaller number of organisations operating in this part of the equine sector.

Figure 3.2: Structure of NI thoroughbred sector



Source: Consultations

3.3.1 Horse Racing Ireland

Horse Racing Ireland (HRI) is the governing body for thoroughbred horse racing across the island of Ireland with responsibility for governance, development and promotion of the industry. Racecourse development is supported by grant aid and loans for capital projects and substantial direct advice and planning assistance are also provided.

HRI sets out the annual programme of 350 fixtures and agrees the race programme and prize-money for each of Ireland's 26 racecourses.

HRI provides services to the individual racecourses including starting stalls, photo finish equipment and the production of integrity pictures. It also negotiates media rights for racecourses and manages the contract for the production of sound and pictures from the track for use by broadcasters.

There is no specific oversight body for the NI thoroughbred sector, though on the HRI board, of the thirteen seats there is one seat for a NI representative. The clear view from consultations was that a specific NI body would not be necessary, and that the existing island wide structure works well for both of the NI racecourses. It was however noted that the NI racecourses faced different funding challenges than RoI racecourses in relation to the betting industry contribution.

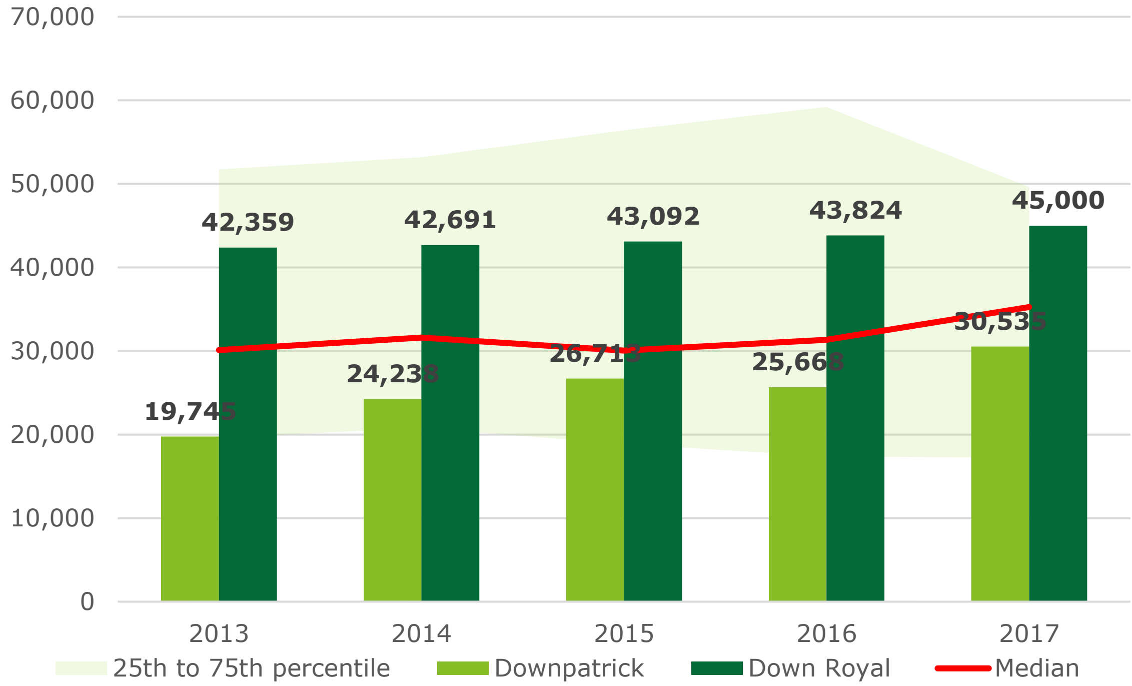
3.3.2 Racecourses

There are two licensed racecourses in NI, Down Royal and Downpatrick. Down Royal, near Lisburn, hosts the highest profile fixtures of the two but both have well established races.

Down Royal has undergone modernisation in recent years, with two new grandstands added which include corporate boxes, hospitality suites and public bars.

Down Royal received 45,000 visitors in 2017, with an average of 3,750 visitors per fixture. In 2017, the racecourse won HRI's Racecourse of the Year, noted for being a progressive racecourse and one with significant redevelopment over previous years. The November Festival is Down Royal's feature meeting which regularly attracts high quality runners from both RoI and Great Britain.

Figure 3.3: Annual attendance in NI racecourses compared to Irish average (median)



Source: HRI Annual fact books (2014-2017)

Figure 3.3 above shows Down Royal's growth, placing it eighth overall in total annual attendance across Irish racecourses. It has shown consistent growth over the last five years, and is one of only two Irish courses that has grown its visitor number every year since 2013.

Downpatrick is similarly a historic racecourse. Dating back to 1685, Downpatrick Racecourse is the oldest racecourse in Ireland. It hosts 10 fixtures each year, with the feature being the Ulster National in March.

Downpatrick in County Down is a smaller course but has shown strong growth with 30,500 visitors in 2017, up from 25,600 in 2016. The average attendance is around 3,050 visitors per fixture. As the graph above demonstrates, Downpatrick has shown a similarly strong level of growth as Down Royal, with an increase in annual attendance in all but one of the last five years and an over 50% increase in attendance since 2013.

3.3.3 Breeders

The Irish Thoroughbred Breeders Association (ITBA) is an all-Ireland body that represents thoroughbred breeders across a wide range of scales, from global bloodstock operations with farms and stallions in several countries through to owner-breeders with one or two broodmares, promoting their interests and acting as advocates for the Irish breeding industry.

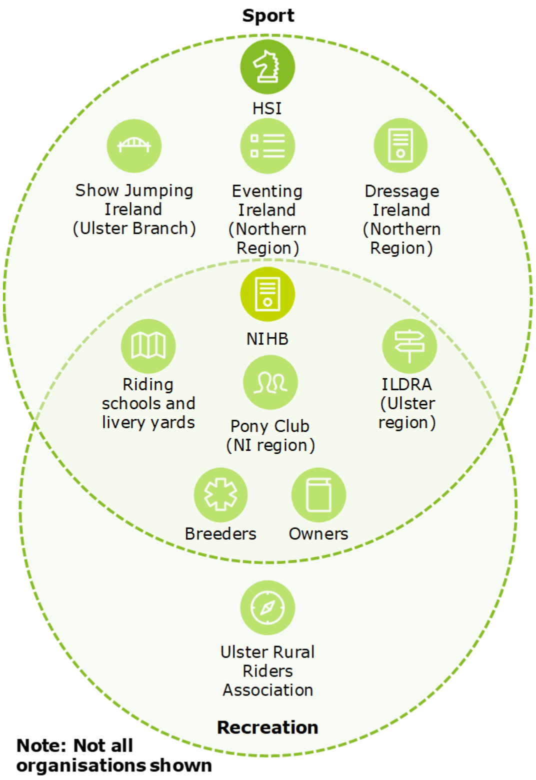
The ITBA operates across five regions, NI being in the Northern region comprising Antrim, Armagh, Cavan, Down, Derry, Donegal, Fermanagh, Monaghan and Tyrone. In NI by far the largest number of registered breeders are located in Down (214), with Antrim (53), Armagh (48) and Tyrone (41) being the next most significant. Around 800 broodmares are estimated to be present in NI with the ITBA representing the majority of the breeders that own them.

The thoroughbred stud book (the General Studbook) is shared across Ireland and Great Britain, administered by Weatherbys, which is established in both Britain and Ireland. All thoroughbred horses are thus registered with Weatherbys whether foaled in Ireland or Great Britain.

3.4 Sport Horses

Most activity in the NI equine sector occurs in the sport and recreation sector. Like the rest of equestrianism in NI, the sport sector operates on an all-island basis.

Figure 3.4: Sport horse sector structure



Source: Consultations

3.4.1 Horse Sport Ireland

The sport horse sector is governed by Horse Sport Ireland (HSI). HSI is an all-island body with a responsibility to act as a voice for the industry with government. As part of this it maintains studbooks and issues passports and is also responsible for running education and high performance programmes. As the governing body for the sport, international teams and entries must be approved by HSI.

Table 3.1: HSI responsibilities

Horse Sport Ireland responsibilities:	
• Interface with Government	• Breeding Policy
• Maintain ISH Studbook	• Maintain ID Studbook
• Issue Passports	• Education Programmes
• Publicise the Rural Development Programme (RDP)	• National Governing Body as recognised by FEI, ISC, OCI, Department of Agriculture, Sport NI
• High Performance Programmes	• Select all International Teams
• Approve all International Entries	• Sponsorship Programme
• Online Database – CapallOir	

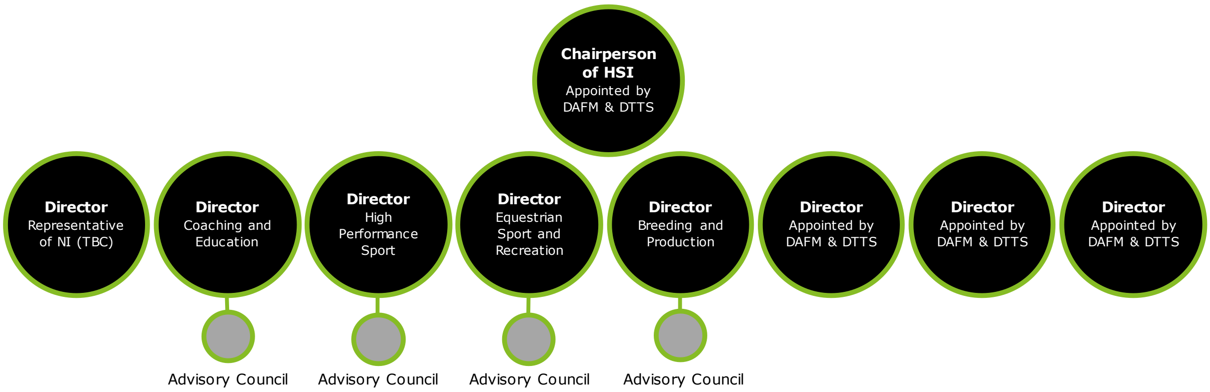
Source: HSI

HSI has recently undergone a review (carried out by Indecon) and is in the process of restructuring. The review assessed the existing structures in place in the industry and outlined opportunities to add commercial value and enhance cooperation across the sector. The report was focused on a series of recommendations and a proposed new structure, centred around four main areas:

- Governance: Several recommendations to help implement best practise governance;
- Structure: A simplified structure with a smaller board of directors;
- Data: Enhance database and include up to date information on registration and performance; and
- Support and programmes: Additional funding is needed to realise the sector’s potential

The organisation has adapted the report’s findings and implemented a new structure. The Board is structured with the following nine chairs:

Figure 3.5: HSI Board structure



Source: HSI

Underneath four of these seats are advisory councils made up of the relevant representatives which advise their chair and apply for funding. There is a seat set aside for a NI representative, but this has yet to be appointed due to lack of ministerial approval in the NI Executive.

HSI receives funding from the Irish Department of Agriculture, Food and the Marine (DAFM), and the Department of Transport, Tourism and Sport. This funding is then supplemented by sponsorships and a smaller amount of earned income. Table 3.2 below shows the latest set of audited reports available. It is worth noting that since 2017, both departments have announced increases in funding for HSI.

Table 3.2: HSI Budget

HSI Funding source (2017)	Amount
Department of Agriculture, Food and the Marine	€2.56m
Department of Transport, Tourism and Sport	€1.61m
Income	€1.84m
Sponsorships	€160k
Total	**€6.17m**

Source: HSI

Because HSI's funding comes primarily from the RoI government, grants for NI organisations tend to be difficult to access. During consultations there was a common theme (whether real or perceived) of HSI being an all-island body albeit with an 'invisible border for funding'. While this is understandable given the source of funding, it is not an optimal situation for HSI or the sector in NI.

While HSI acts as the governing body, most of the activity in the sport is directed by 26 affiliate bodies who sit underneath. The main sport organisations in NI align to the main Olympic sport disciplines.

3.4.2 Olympic discipline bodies

There are three main sport focused groups operating in NI. These are NI branches of all Island bodies with HSI as the ultimate governing body.

Table 3.3: Olympic discipline bodies

Organisation	NI branch	Members	Events
Show Jumping Ireland	Ulster Region	1,400	Run events on around 150 days of the year across NI
Dressage Ireland	Northern Region	100	Around 20 a year, run at riding schools around NI
Eventing Ireland	Northern Region	400	Run about 15 events a year

Source: Consultations, HSI

Show jumping[4] across NI and Ireland is administered by Show Jumping Ireland. This group also inputs into the Irish international team selection, which is overseen by HSI. Events and training in NI are led by the Ulster Region, which has over 1,400 members.

Dressage Ireland is the organisation for dressage[5] in Ireland and is established to promote the sport and feeding into the HSI high performance programme. For amateurs, regional committees then organise shows and training. In NI, this is the Northern Region. The group is smaller than other NI organisations, and has around 100 members.

[4] Show jumping involves jumping over obstacles, including verticals, spreads, and double and triple combinations, usually with many turns and changes of direction.
[5] Dressage is an advanced form of riding with the rider and horse performing difficult manoeuvres to test participant's responsiveness, balance, physical ability, suppleness and obedience of the horse.

Eventing[6] is administered by Eventing Ireland, with regional bodies responsible for running their own competitions. The Northern Region covers all of NI and has around 400 members. Around 15 events are run each year through this group. Attendances of up to 300 are typical but can vary by event.

Access and facilities were noted in consultations as a challenge for these groups. Despite there being a number of riding venues which serve the sport well for events, riders found it was challenging to adequately exercise their horses. Riding on roads was the most typical method but this is seen as more dangerous and uncomfortable for the horse.

3.4.3 Breeders

Breeding activity is organised using studbooks, approved registers of horses within a specific breed. Once registered on the studbook, a horse will be issued with a passport, which will be involved in any future sale. Studbooks are typically managed by an approved organisation.

While the thoroughbred stud book is shared across the island of Ireland and Great Britain and administered by Weatherbys, from a non-thoroughbred perspective HSI is approved by DAFM to maintain two of the main Irish studbooks, the Irish Sport Horse Studbook and the Irish Draught Horse Studbook. HSI is responsible for issuing passports for Irish Sport Horses and Irish Draught Horses, carrying out studbook inspections and deciding on breeding policies for these Studbooks. Both of these studbooks form the Irish Horse Register (IHR).

HSI own the licence for two of the main Irish stud books and administer four others. Whilst DAFM have approved and registered HSI to maintain the two main Irish studbooks and administer four others, it is the responsibility of DAERA to approve and register the NI studbooks. Two studbooks, the NIHB and Breeders Elite, are currently listed as approved and registered within NI.

Public auctions tend to be a common route to market for foals in Ireland, with regular opportunities in Cavan Equestrian Centre, Mullingar Equestrian Centre and Goresbridge Horse Sales. However, there is no public auction in NI and so most sales are private transactions.

NI breeders tend to operate on a smaller scale compared to those in RoI. Of all breeders surveyed, 27% described themselves as hobby breeders who have produced less than five foals over the last five years. Less than 5% were full time and breeding more than 20 foals. There was also a noted reliance on family or friends volunteering their time to help with breeding efforts, with around half of all full time breeders using this help three or more days a week. During consultations this was said to be as a result of a lack of incentives. Local breeders pointed to lower rates of VAT and a number of government breeding programmes for RoI breeders that give them a competitive edge.

3.5 Recreation

The recreation sector operates in a similar way to the sport sector and there is some cross-over of activities and organisations. The sector falls under the same structure as sport with HSI acting as the governing body. However, there was a lower level of engagement between the groups and the governing body noted in consultations.

Table 3.4: Recreational bodies

Organisation	NI branch	Members	Events
Irish Long Distance Riding Association[7]	Ulster Region	75	Around 20 rides a year as well as other meetings
Ulster Rural Riders Association	NI Body	3,000	Run around 9 rides a year
Pony Club	Area 17 (NI) of UK organisation	900	Around 350 rallies across all branches

[6] Eventing combines aspects of other discipline. In an event the horse and rider have to complete three tests. They are, in order, a dressage test, a cross country test and a show jumping test.
[7] Some members of ILDRA also compete in competitive events including international level endurance events.

Source: Consultations

3.5.1 Irish Long Distance Riding Association

The Irish Long Distance Riding Association (ILDRA) is the organisation with responsibility for endurance riding in Ireland. The group is HSI affiliated and supports endurance events at an international level, as well as recreational events locally. The group therefore straddles the line between sport and recreation.

The group, through its Ulster branch, organises rides throughout NI. Most rides involve a pleasure ride for members and non-members, normally of about eight miles, and a series of competitive trail rides over a number of distances starting from 20 miles. Some events also feature international standard endurance rides, which start at 50 miles.

Consultations suggested that access is the main challenge for long distance riding in NI. Riders feel that NI is poorly served by bridleways and those areas that have been developed are often unsuited to horses, for example stone paths or hard surfaces which can be unforgiving.

3.5.2 Ulster Rural Riders Association

Ulster Rural Riders Association (URRA) is a long distance riding group with around 3,000 members. They organise about nine pleasure rides a year, with each one getting up to 300 horses. These rides are typically about six to seven miles and run at a slower pace to those run by ILDRA.

As well as organising pleasure rides, the association campaigns for safe off-road riding in NI. It provides riders with the opportunity to enjoy off-road pleasure rides, and supports its members in asserting rights of way for horse riding. It also informs motorists of the special needs of horses and riders in the proper use of both roads and bridleways. The group have little involvement with HSI, though they do however affiliate with British Horse Society (BHS).

These pleasure rides are mostly run on private land, estates and some forests. Locations tend to be rural, so the rough terrain can make it unpalatable to some sports horse owners. When trying to organise these rides, there are often a number of different organisations in charge of land. Even publicly owned land can come under the jurisdiction of various district councils or DAERA, which can present challenges when organising quality rides for an appropriate price point. Private land similarly relies on negotiating with a number of different owners, with some now citing insurance as too big a risk to take on.

Despite differences in the types of rides both ILDRA and URRA run, both groups pointed out the challenges with the existing routes available in NI. Both groups highlight the potential for bridleways.

3.5.3 Pony Club NI

The Pony Club NI is a voluntary organisation that encourages young people to participate in horse riding. It has around 900 members in NI and operates out of 13 centres locally.

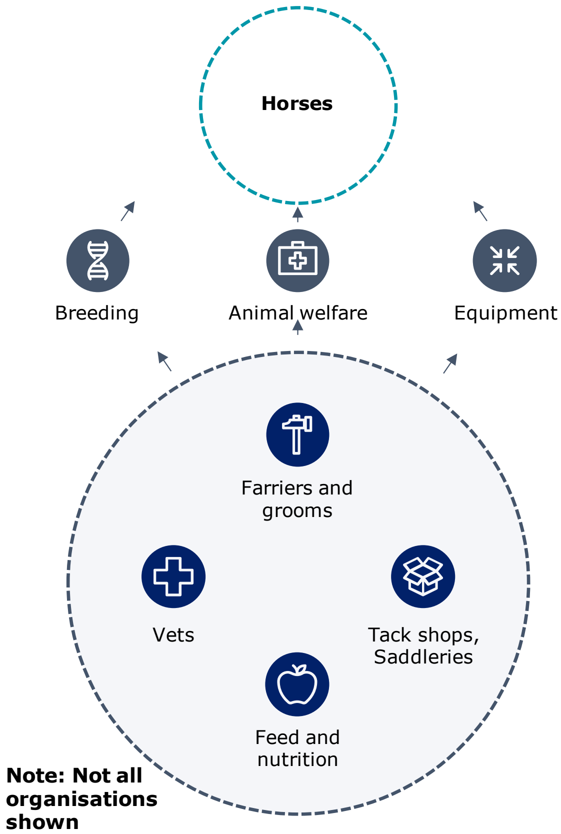
The Pony Club is a rare example of a UK run body in NI, though it operates in a similar way to other local recreational organisations (there is a separate Pony Club organisation for RoI). This means they have no engagement with HSI, other than some crossover of coaches. Like URRA, they have some engagement with BHS, particularly on education.

3.6 Ancillary sector

As well as the thoroughbred, sport and recreational bodies there are a number of other businesses and organisations involved in the immediate day to day operation of the industry. The diagram below shows some of the types of business responsible for providing goods and services to the equine sector and the lines of their engagement.

To support these equine specific businesses and traders, there is a wider ancillary sector providing goods or services to the equine sector. This includes transport, accountants, banks, construction firms, utilities providers, and more.

Figure 3.6: Make up of equine ancillary sector



Source: Consultations

3.6.1 Riding schools and livery yards

Riding schools are a vital part of the equine sector, and often provide people their first interaction with the industry. Proper standards are important for ensuring quality of coaching and animal welfare, safeguarding the safety of participants and horses. There are around sixty riding schools spread across NI, as referenced in the map below. It was noted in consultations that there is a wide range in standards between centres. While there are a small number able to hold international standard events, there are more operating on a smaller scale.

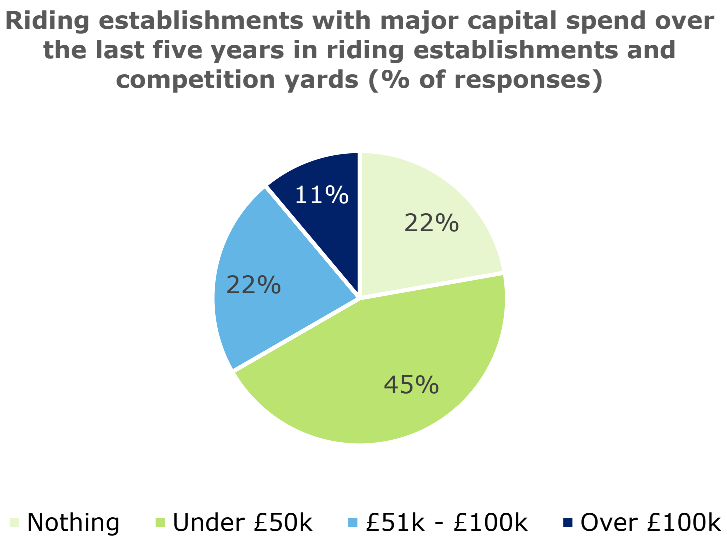
Figure 3.7: NI equestrian centres, riding schools stables and other welfare establishments

Source: DAERA

Consultations suggest a number of challenges for equestrian centres. Increasing costs and regulations have impacted on many centres' ability to turn a profit and pay adequate wages to staff. Poor weather over the last number of years has also increased some costs, such as fodder and bedding, while also putting off some visitors. Regulation and business rates were also cited as major challenges to profitability. Many centres pay full commercial rates, but say they are unable to run activities across the day or during certain times of the year.

Many riding schools have gone a number of years without significant investment. However, given problems with profitability, this left little room to spend money carrying out modernisation of some older aspects of facilities. Responses from the survey showed that over 80% of livery yard owners had spent less than £50,000 on capital projects over the last five years. It is a similar story with competition yard and riding school owners, with two-thirds spending less than £50,000 over the last five years.

Figure 3.8:Capital spend by riding establishments



Source: Survey

These difficulties reflect challenges for the whole equine sector. Riding schools play a major role in getting people involved in the industry. These are often people's first experience in the sector and will often offer newcomers their only chance to participate before investing in a horse themselves. Because of this, riding schools are key to any efforts to grow the industry.

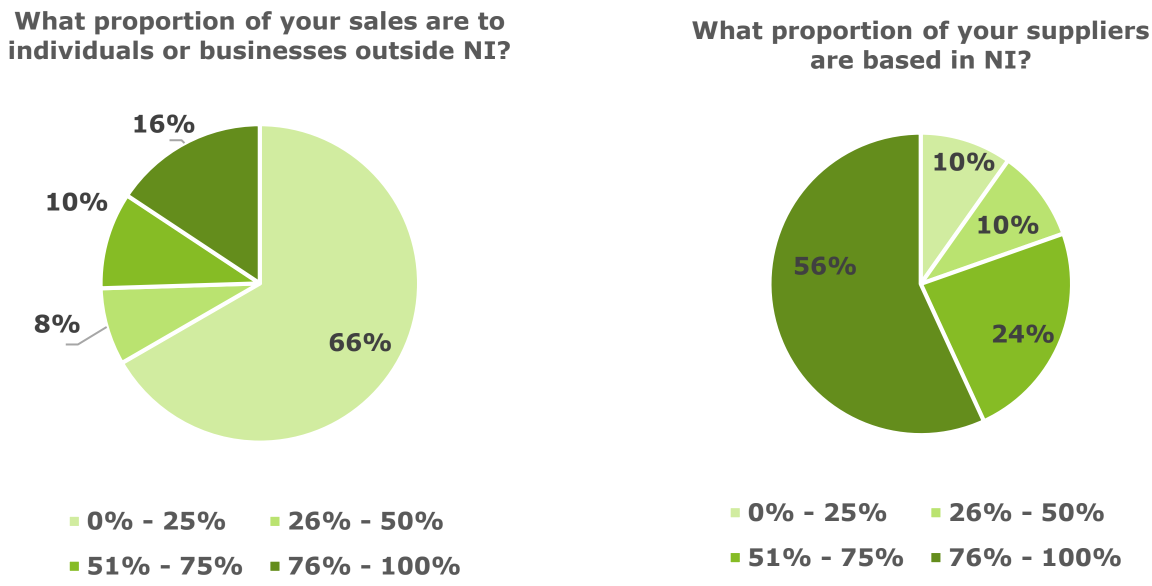
Livery yards are a key piece of infrastructure for the industry, where owners pay a fee to keep their horses. These range from full liveries, where staff take full care of the horses, to options where owners are responsible for caring for the animal and providing hay, bedding and feed.

Livery yards face similar challenges to the riding schools. With rising costs and customers unwilling to accept higher prices, many are facing difficultly turning a profit. Consultations suggested that unregulated livery yards are becoming more prevalent, and reflect some of the perceived regulatory burden being placed on operators.

3.6.2 Nutrition and feed

NI is home to a number of large nutrition and feed companies. Local suppliers such as Thompsons, Bluegrass, Animal Health Foods, Stonebridge and others provide local horse owners with feed, and indeed export these goods to other markets.

Figure 3.9: Internal and external sales by NI businesses



Source: Survey

3.6.3 Tack shops, saddlery and other equipment

Tack shops are the primary outlet for horse owners to purchase equipment. They offer appropriate clothing and safety equipment as well as equipment for horses. There are over a dozen tack shops in NI. These are mostly single premises businesses and there is no chain of businesses that operate in multiple locations.

There are also a smaller number of saddleries who operate in the same way. These businesses manufacture saddles for a variety of uses. One notable example is Old Mill Saddlery, whose Race and Race Exercise saddles are used by jockeys and trainers internationally.

3.6.4 Vets

Vets play a critical role in the industry in ensuring animal care. Vets are involved in all aspects of welfare, from routine preventative care such as vaccinations, dental care and routine blood screens, to primary care as an in or out patient. In case of emergency vets also provide 24 hour call out services for injuries, accidents or emergencies.

Breeding tends to involve vets at various stages. Some breeders use vets to carry out evaluations on mares breeding for the first time. The early months for a foal are an important time and so involve regular check-ups with a vet. It is at this stage too where vets microchip foals to identify them for a passport. Vets also become involved when breeders use advanced techniques such as artificial insemination.

Some vets offer sports medicine services and physiotherapy and so play an important part in the competitive elements of the sector.

Vets in NI tend to work across different types of animals, though a number do operate equine specific practises. Specialised equine veterinary treatment is typically located in RoI and accessed by equine owners based in NI. An example of this is specialist colic surgery being available only in RoI, as it is not carried out in veterinary practices in NI.

3.6.5 Farriers

Farriers are specialist craftspeople who shoe horses. This job involves crafting shoes, typically from metal, trimming the horse's hoof and fixing the shoe.

This is an important role from an animal welfare perspective and farriers are known to spot physiological and postural problems with horses. Skilled farriers are able to offer remedial services and fix special shoes to help ease issues a horse may have with its posture. Farriers in NI typically work as sole traders.

3.6.6 Ancillary sector conclusions

Often businesses in the industry feel they struggle to get their voice heard. Many who were consulted felt there is a multitude of issues with running a business in the industry. Concerns were raised about cost inflation, increasing regulatory burdens and recruitment of skilled staff. Many of those who work in the industry work multiple jobs as they feel it's the only way to earn an acceptable wage. However, with no strong industry voice, the concerns of many smaller businesses can go unheard.

The ancillary sector of the equine industry faces many challenges. Years of particularly bad weather, rising costs, high price sensitivity from customers, growing insurance and regulation costs all affect the ability of businesses in the industry to remain viable. However, the sector reports a limited ability to collectively lobby on these issues and so businesses struggle to secure support to overcome these challenges.

3.7 Third sector

3.7.1 British Horse Society

The UK and Ireland charity BHS is one of the largest equestrian charities in the UK and Ireland and has a broad interest in the equine sector across welfare, education access and safety. In NI BHS has around 3,400 members.

To maintain animal welfare, BHS has volunteer welfare officers who work to promote the prevention of neglect, cruelty and harm to horses. BHS welfare officers will follow up on any concerns raised by members of the public. However, it is Council Animal Welfare Officers who have legislative enforcement responsibility for equine welfare issues.

Safety is another area of focus for BHS, and to ensure safe riding they give approvals for riding school, liveries and other facilities. BHS also offers an incentive for members by offering personal accident insurance. On access, the group points out the limited number of sites locally but does try to lobby government and arrange access to potential sites, normally through its affiliate URRA.

BHS also offers courses to those looking to make a career in the industry including an internationally recognised set of qualifications.

3.7.2 Riding for the Disabled

RDA is a UK charity that provides equine related therapy and learning to people with developmental, physical and mental disabilities. The UK wide organisation is split into regions, with NI region made up of 28 branches spread across the rural landscape. The largest of these have around 150 members, such as Coleraine and Omagh groups, while some are smaller scale with around 10 participants. Across the 28 branches there are over 1,000 participants.

Figure 3.10: RDA centres in NI

Source: RDA

Four branches are run out of RDA specific centres: Omagh, Maghera, Armagh and Coleraine. These four centres account for nearly half of all participants.

Others work out of riding centres, and are encouraged by RDA to pay commercial rates for their services. The remainder operate in private yards. The groups rely heavily on volunteers. Across the 28 branches there are over 700 volunteers. This contrasts with only seven paid staff at these same branches. All branches are responsible for raising their own funds and maintaining services.

3.7.3 The Donkey Sanctuary

The Donkey Sanctuary is an equine related UK charity operating locally to provide assisted therapy for vulnerable children and adults. The NI branch in County Antrim is one of six donkey-assisted therapy centres run by the Donkey Sanctuary in the UK.

Members of staff are now undertaking an accredited Equine Facilitated Learning qualification, which allows the charity to offer programmes to a wider range of people. Specifically those with emotional, psychological or physical needs, such as veterans, youth at risk, recovering addicts or those suffering the legacy of abuse.

3.8 Education and research

3.8.1 CAFRE

Education for the sector is mainly provided by DAERA's CAFRE Enniskillen campus. This campus focuses on the equine industry and offers a range of courses for those looking to make a career in the sector. CAFRE also aims to increase knowledge transfer within the equine sector to improve competiveness. Internationalisation of businesses and growing exports is another key aim of the college.

The campus teaches around 150 students and is able to attract new recruits from across the UK and Ireland with a smaller number of European students. The courses on offer are a mix of higher and further education. The college aims to give students a mix of technical, theoretical and practical skills on equestrianism along with general business skills for those looking to move into companies in the industry.

Facilities in the campus include:

- Racing unit with a newly extended gallop with hurdles and fences and an electronic racehorse simulator

- Breeding unit with stables and foaling boxes
- Equitation unit with indoor and outdoor arenas and a cross country schooling area
- Equine technology, including rein tension gauges, gait analysis system, orscana sensors and other recent technologies to improve the performance and welfare of horses

The employment outcomes for CAFRE BSc Equine Management graduates are positive with 93% of graduates moving into employment. However, only 58% of graduates are employed in the equine industry[8].

CAFRE had previously run a series of Equine Business Workshops, which are for all equine related businesses from riding schools and tack shops to self-employed instructors, producers and farriers. The workshops looked at three themes, unlocking business potential, marketing, and adhering to regulation. The most recent of these workshops was in April 2019.

CAFRE also offers industry support through their Equine Industry Training programme which is aimed at assisting the development of a competitive equine industry in NI, by enhancing the capabilities of people in the industry. CAFRE Equine Technologists work with equine businesses, organisations and individual owners to encourage innovation and adoption of new technologies and developments to improve the health, welfare and performance of horses in the industry. There are a number of projects ongoing as part of this programme:

- Equine health and welfare – maintaining horses at a healthy body weight.
- Horse performance – use of heart rate monitors and global positioning technology in training programmes.
- Equine breeding – influence of the Equilume light mask on a mare's reproductive cycle.
- Equine bedding – suitability and costs of different bedding material.
- Waste management – potential for composting equine waste material for use in the horticulture industry.

3.8.2 AFBI

The Agri-Food & Biosciences Institute (AFBI) was created by joining the Science Service of DAERA (then DARD) with the Agricultural Research Institute of NI (ARINI). AFBI carries out high technology research and development, statutory, analytical, and diagnostic testing functions for DAERA and other Government departments, public bodies and commercial companies. AFBI undertakes work in the following areas:

- Agriculture
- Animal health and welfare
- Food
- Fisheries
- Forestry
- The natural environment
- Rural development and enterprise.

AFBI's engagement with the equine sector is limited however, with its Research Impacts 2018 report mainly focusing on agricultural animals and the environment. This aligned with a common challenge pointed out during consultations. There is a high cost of carrying out equine research and development and less commercial incentive, compared to potential improvements that could be used in the agri-food business. This tends to mean a lower level of activity in equine research and development.

There is little engagement by Queens University Belfast (QUB) or Ulster University (UU) on research in the equine sector. UU is responsible for validating CAFRE's BSc in Equine Management. QUB has published some research into areas affecting the equine sector, however only a small number of these have been in recent years.

[8] https://www.daera-ni.gov.uk/sites/default/files/publications/daera/baseline-study-of-the-northern-ireland-equine-industry.pdf

3.8.3 Sport coaching

Outside of the public education sector other providers also offer courses for personal and career development.

BHS offers an internationally recognised set of qualifications. These are available through a variety of routes. This offers students the chance to learn practical skills to help launch a career in the industry. Specific pathways are available for professional riders or coaches. BHS also offers a range of awards that provide recreational riders with the opportunity to develop their understanding of horse care and rider skills.

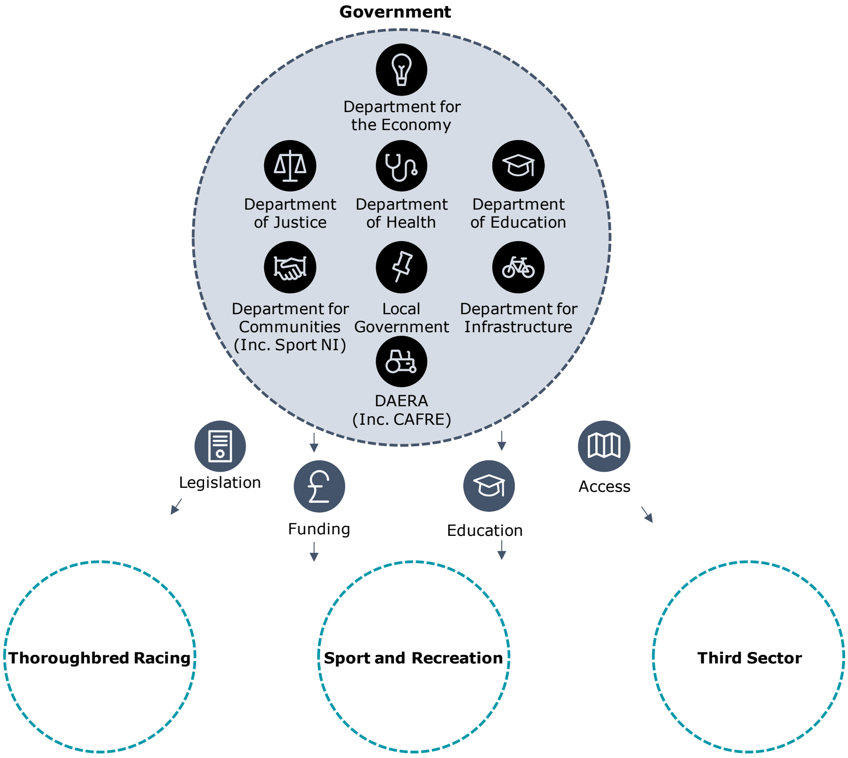
HSI offers a coaching programme designed to provide candidates with a pathway to a career as a successful competition coach. This course is delivered in three stages. After an introduction to coaching course, there is a qualification for a level 1 apprentice coach. Level 2 allows coaches to work as an independent equestrian coach up to elementary level. Level 3 then allows coaches to train performance riders to compete at the highest level at regional and national competition. Level 3 is discipline specific, and so students must focus their coaching when reaching this stage. These courses range from one day and €100, to nine days and €1,800 for the national coach accreditation. These courses are delivered across the island of Ireland, with the main NI option being Kernans Equestrian Centre in Armagh.

3.9 Role of government

Government has long been involved in many aspects of agriculture, the rural economy and sport and outdoor recreation because of the benefits they offer. Equestrianism can deliver many of these key strategic outcomes for the public sector (further analysis of this is included in appendix 2). Similarly, local government can help unlock much of the untapped potential in the sector. The relationships in NI however, like those among the equine organisations themselves, involves many different bodies with varying levels of collaboration.

The diagram below maps the government bodies with involvement in the equine sector and the typical lines of their engagement.

Figure 3.11: Government structure and relationship with equine sector



Source: Consultations

3.9.1 DAERA

Of all government departments, DAERA has the biggest role to play in the equine industry. Table 3.5 summarises the main areas of DAERA's focus on the sector.

Table 3.5: DAERA

DAERA's – key areas of equine focus:	
• Education	• Administration of Horse Racing Fund for racecourses
• Equine welfare	• Rural development policy
• Equine passporting	• Monitoring riding centres and livery yards
• Import and export of animals	• Forest Service

Source: DAERA

While the horse is not recognised as an agricultural animal, DAERA has a major interest in the equine sector due to its contribution to the rural economy. As this report establishes, there is a significant industry around the sport and recreation side of the sector, with most of this focused in rural areas. Equestrianism also holds the potential to engage more people in rural activities, such as recreational riding or spending money in riding schools and livery yards.

This potential has been recognised in the past, and there have been previous efforts at setting a strategy for the sector.

DAERA is currently leading development of a strategy and action plan for the equine sector. The economic value estimated within this report and the wider analysis is contributing to the evidence base for the strategy.

3.9.2 Department for Communities

Gambling is a devolved issue for NI. The Department for Communities (DfC) is the responsible body for gambling, the legislation in place being the Betting, Gaming, Lotteries and Amusements (NI) Order 1985.

In the absence of Licensed Betting Offices (LBOs) having to pay the 10% levy on gross win (as LBOs in GB do), the only significant betting related tax that is charged to NI LBOs is set per shop by DAERA. This currently generates around £370,000 per year for the Horse Racing Fund (considerably lower than the equivalent figure for RoI or GB). This is distributed to the two NI racecourses, but payments are considered inadequate by the racing industry.

3.9.3 Sport NI

Sport NI is an Arms-Length Body of the DfC. It is the lead public body for the development of sport in NI. In Sport NI's Corporate Plan 2015-20 it lists its three strategic objectives, to:

- Increase and support the number of people adopting and sustaining a sporting lifestyle;
- To enable more people to develop and reach their sporting goals through a structured environment; and
- To help more NI athletes win at the highest level.

Given these objectives, and how they correlate directly to the three components of the equine sector (recreational sector with the first point, sports clubs with the second, and high performance sport and thoroughbred racing with the final point), it is a natural fit for the organisation to get involved in the equine sector.

There had been a previous level of engagement between Sport NI and the equine sector. Sport NI offers funding packages for sport organisations to run things like training programmes. Funding is allocated across five year cycles. Applications must come from the recognised governing body of the sport. HSI therefore applied for funding for the period from 2010-2015.

Sport NI practises required applicants to set clearly defined objectives and to provide an audit trail for all spend. HSI had been accustomed to a different set of procedures for funding from the Irish government. This eventually led to Sport NI de-committing funding for the remainder of the cycle.

This led to HSI not applying for next round of funding for 2015-20. Without an application from HSI, the equine industry has no means to access this funding. Sport NI policy is that only the recognised national governing body of a sport can lead the application. In absence of this funding, there is little to no current engagement between Sport NI and the equine sector.

While there is no funding package in place for 2015-2020, there are a number of grants which have been made available for local groups. These are small grants, for around £10,000 annually, that are typically used by the equine sector to sustain smaller RDA or BHS programmes.

There is an opportunity however to reapply for the next round of funding, which will likely open for submissions in 2020. Awards will be in a four year cycle from 2021-2025. Given the restructuring of HSI, and the appetite for restructuring within the sector, the challenges of the last relationship should be solvable.

There is no engagement between Sport NI and the thoroughbred racing sector. This is said to be common trend within the rest of the UK sports bodies, such as Sport England or Sport Scotland.

3.9.4 Local Government

District councils have a major role to play in the local equine sector. Similarly, equestrianism has potential to deliver against many district councils' strategic objectives.

Enforcing animal welfare standards is now a key focus for local government. District councils in NI have animal welfare enforcement responsibilities for domestic pets, including equines, under the Welfare of Animals Act (NI) 2011. This means that council appointed Animal Welfare Officers must investigate concerns raised about animal welfare issues.

Venues and places to safely ride are another influence district councils have over the equine sector. District councils have a number of duties and opportunities under the Access Order regarding public rights of ways, public paths and long distance routes (21.2) that include those on horseback. The Forest Service has developed many new recreation and tourism facilities in forests during the last number of years through partnerships with Councils and other organisations such as National Trust. This approach has the benefit of ensuring that new facilities are developed in line with local and regional recreation and tourism agendas. As a result of this approach new facilities for horse-riding have been developed in Gosford Forest Park, Castlewellan Forest Park, Florencecourt Forest Park and Castleward. These forests are important venues for recreational horse riding and in the absence of a systems of bridleways, many groups rely upon them for regular access for safe rides.

While all district councils place emphasis on achieving good health outcomes, only a few specifically list outdoor recreation in their strategic outcomes. Consultations highlighted that there tended to be a disparity between how easily district councils were to work with on these issues.

Funding is another area district councils have influence over the sector. As touched on in the previous section, in the absence of a significant funding package from Sport NI for the sport's governing body, HSI, a number of small grants are available for groups to draw down with applications to District Councils. This means district councils are one of the primary sources of government funding for equine groups, albeit on a small scale.

Despite the importance they play, there is little engagement between the district councils and some of the equine organisations that look to use their facilities. This is partly due to the equine sector not speaking with a coordinated voice. This was noted in consultations with recreation and sport groups, and when speaking to District Councils' representatives (for example countryside officers).

When there is engagement, the approach of equine organisations to district councils tended to be on a recreational basis. Few see the possible tourism potential.

Councils should in the future look at the wider set of outcomes the equine sector can deliver. Tourism in particular closely aligns with existing district councils' strategic outcomes, and so it may be possible to involve equestrianism in this in future.

3.9.5 Other government departments

Access has already been noted as a key consideration for the equine sector. This issue was consistently raised during consultations and research shows NI lags behind the rest of the UK in this regard. This is partly due to legislative difference around rights of way and public land. For example, in Wales there is around 20,000 miles with public rights of way compared with less than 200 miles formally asserted in NI[9]. In Scotland there is the right to roam, which allows anyone to access land for recreational, educational and certain other purposes.

The Department for Infrastructure (DfI) has the lead role to play locally in the draft Programme for Government commitment to increase the level of encouraging active travel. This primarily takes the form of walking and cycling. One aspect of the biggest pieces of infrastructure work to support this has been the redevelopment of a framework for Councils to build local greenways across NI: 'Exercise – Explore – Enjoy: a Strategic Plan for Greenways' published by DfI in November 2016.

The use of Council owned greenways for horse riding would probably be subject to by-laws. In addition, if permitted, there would be specific requirements necessary to make greenways suitable for horse riding while still ensuring the safety of walkers and cyclists, for example the width of the paths. Many of the existing greenways may be too narrow to safely ride horses on, and so are unavailable to the equine sector. Whether they would be in the future would require discussion with Councils as greenway proposals are developed. Both equine groups and DfI noted there had been little engagement on the topic of greenways in either direction.

The Department of Health (DoH) is actively engaging in scoping out equine therapy and piloting, for example:

- an Equine Group has been established by the DoH across the HSC sector;
- a scoping exercise has been commissioned to identify current provision across HSC Trusts;
- implementation of an engagement plan to raise awareness to equine assisted therapy, equine assisted learning and hippo-therapy; and
- meetings with providers to broaden knowledge and understanding including qualifications and regulation.

Within the Department of Justice, there are no existing arrangements in place to make use of equine assisted learning services for prison inmates or probationers.

The Department of Education has some limited involvement with the equine industry, specifically through equine assisted learning. As already established, this tends to take place through charity or volunteer organisations working in riding schools. Consultations with these groups pointed to some ad hoc relationships with certain schools to run twelve week programmes, with most paying a small fee to use the service.

Consultation indicated the equine sector has potential related to tourism opportunities. These include off-road riding opportunities (including long distance trekking opportunities) and sport horse competitions and thoroughbred racing events which attract participants, support teams and spectators from outside NI.

[9] Find out more information on horse riding trails at http://www.outdoorni.com/local-outdoors/

These opportunities were primarily seen to be linked to local government's tourism role (see 3.9.4); Sport NI (3.9.3) and potentially the Department for Infrastructure (see above commentary on greenways).

Tourism NI, a non-departmental public body of the Department for the Economy, currently has a very limited connection to equine sector. It would potentially have a role in instances of equine visitor experiences being developed, or potentially with an event of sufficient scale to attract visitors from outside NI. Tourism NI has no team or position solely focused on outdoor recreation however they do provide some funding to Outdoor Recreation NI. Outdoor Recreation NI has limited engagement with the equine sector however.

As well as the issues highlighted in this report, multiple stakeholders raised the issue of horses not being recognised as an agricultural animal.

The ECNI completed a public consultation in 2012 on 'The Status of the Horse in NI'. Following analysis, the ECNI was not persuaded that a statutory position on the status of the horse was necessary or desirable. However, ECNI recognised that the horse and equine businesses are an important part of rural communities and that the horse as a grazing animal is a part of agriculture in terms of its contribution to both rural life and many farming families. Subsequently, the grazing of horses is considered to be an agricultural activity for the purposes of the Basic Payment Scheme.

Other commonly raised points of issue were:

- Less favourable VAT regime for the sector compared to RoI
- Level of commercial rates on equine establishments

We understand that these issues have been raised in previous engagements with government and will continue to be seen as issues for the sector. This report however focuses on the economic value of the industry and the areas for growth. These issues have therefore not formed part of the analysis or recommendations.

Prior to the suspension of the NI Assembly, the Chief Veterinary Officer had discussions with the Department of Finance on the issue of rates relief for equine premises based on their education, health and social benefits, for example, when used by charities. Any change to existing legislation will require legislative change.

In taking forward the findings of this report the Department should however continue to take account of these issues where they cross over into the findings in this report.

3.10 Learning from other regions

A high level comparison with the equine industry in Scotland was carried out in order to assess the NI industry position against the equivalent industry in a similar sized country. The main findings of this comparison are as follows:

Horsescotland is 'the national organisation for all equestrian sports and activity in Scotland', and a partner of Sportscotland. There is no equivalent body to Horsescotland in NI.

It represents 38 member Bodies and individual and club members, its objectives being to:

- Increase the overall levels of participation and equestrian activity in Scotland;
- Enable Scottish riders, drivers, vaulters and equines to excel on the world stage; and
- Support Horsescotland member bodies to flourish by working collaboratively

There is minimal interaction between the thoroughbred/racing and broader equine industry. For example, Scottish Racing is a promotional body established to market the four Scottish racecourses (and funded by them). It is also an associate member of Horsescotland, but there is no interaction between the two apart from Scottish Racing renewing its membership each year. This parallels findings from NI, with interaction between the thoroughbred industry/racing and other equine pursuits being minimal.

The lack of interaction between the thoroughbred and broader equine industry may be due to Scottish Racing's position being funded by the four Scottish racecourses rather than as a part of BHA (British Horseracing Authority). Other equestrian activities are organised on a British basis for example British Eventing (Scotland) is a sub-set of British Eventing.

The only significant interaction between thoroughbred and non-thoroughbred sectors is via ancillary suppliers common to all horse owners/industry participants such as vets, feed and bedding suppliers etc.

Looking further afield, Holland, Germany, France and Belgium are exemplar countries in regards to Sport Horse. Others have looked at these and concluded that the "key to the success of these countries is the level of professionalism that applies across the board."[10]

The future equine strategy will include lessons learned in other regions.

3.11 Conclusion on structure

The equine sector today is a diverse sector represented by a large number of organisations. It involves activity ranging from international standard thoroughbred racing, Olympic competition, national sport competition, recreation and equine assisted therapy and learning. This is all supported by a diverse ancillary sector.

The sector is in the majority of cases structured on an all-island basis. In the thoroughbred sector, the relationship between NI racecourses and HRI, the governing body, works well. In the sport horse sector the relationship between HSI and the NI sports groups has experienced more challenges.

The study identified varying levels of collaboration among equine related organisations within NI, including across the public sector, with substantial room for improvement. This will be an important issue to address going forward.

Given the large numbers and disparate nature of the organisations involved in the sector, there is an important role for enhanced coordination of the industry. For a variety of reasons previous attempts at establishing this have faltered.

However there is still a need for enhanced coordination of the industry. This is a vital part of becoming a collaborative, growing industry that supports rural communities. This would ensure a coordinated approach to the development of the industry, including identifying opportunities for future collaboration and accessing funding. Further considerations on sector structure are outlined in the recommendations section of this report.

[10] Untapped Potential: Unlocking the Economic Potential of the Irish Sports Horse Industry

4 Growing the industry

4.1 Introduction

With the economic baseline of the industry established and an overview of its current structure outlined, it is worth highlighting the additional role the equine sector can play in the local economy in delivering public sector outcomes.

4.2 Innovation and technology

With prize money offering greater incentives for high performance, the use of technology in the thoroughbred sector is generally better established than elsewhere in the industry, for example in the sport and recreational sectors. There are some notable local examples of businesses innovating in this field.

For example, local company Bluegrass Horse Feeds is one of the biggest equine nutrition companies in the UK and Ireland. It manufactures a premium range of horse feed in Dungannon, while also working closely with one of the world's leading research centres in equine nutrition, Kentucky Equine Research (KER), an exclusive relationship on the island of Ireland.

Despite this example, NI likely still lags behind other international competitors. Stakeholders suggest some of this is due to an attitude that lacks innovative drive among many participants as per this example given during a consultation involving Gro.Trac.

Gro.Trac is a database product for breeders and horse owners to compare the growth rates of their foals with other young horses of similar age, sex and breed from around the world. This is used to diagnose possible health problems or identify a need to alter nutrition and early care. It's a simple low cost, easy to use technology with a clear welfare and competitive benefit, but its use remains rare among breeders in NI.

However, this hesitance to invest in technology is not as apparent in RoI, so given the all-island culture of the industry the difference could possibly be due to different legislation or incentives.

One example of this locally in breeding is embryo transfer.

Embryo Transfer involves breeding a donor mare to a stallion and transferring the resulting embryo into a recipient mare, which carries the foal to term and nurses it until weaning. The benefit embryo transfer offers is that superior sports horse mares can produce foals while still competing. This also allows a high standard donor mare to produce more than one foal during a single breeding season. Embryo transfer will then allow mares to produce foals until a later age too. Even in cases of age-related endometrial degeneration, an embryo can be transferred to a younger healthier recipient mare.

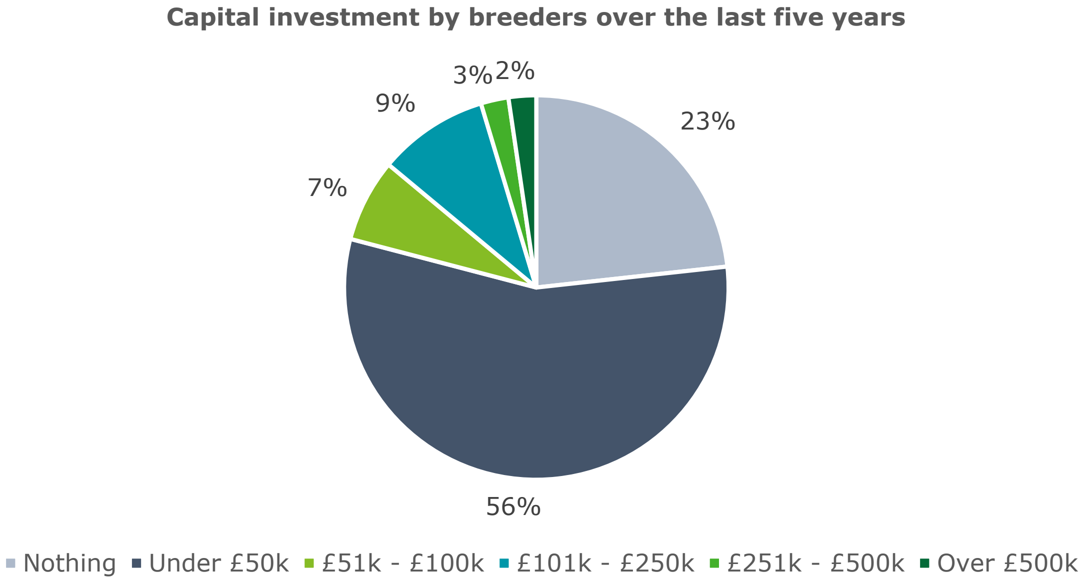
HSI offers a scheme where breeders can access a €600 grant to breed a foal using embryo transfer. Breeders can apply for up to four of these grants a year. The scheme is being funded by the DAFM and aims to maximise the genetic potential of Ireland's top class performance mares. There is no means for NI breeders to access this funding and more easily take advantage of latest breeding techniques. This places local breeders at a competitive disadvantage.

There are also examples of businesses which have started with the local market and have subsequently moved into export.

Exporting – there are several examples of companies in the equine sector that have started local but now have customers in many countries with exporting being a key part of their business. Take for example Boyd Bedding who manufacture Blue Frog shavings and have a customer base stretching across NI, ROI, GB, Europe, United Arab Emirates, Thailand, Hong Kong, Malaysia and China. Other examples of companies exporting to customers worldwide include Botanic International Limited (who provide herbal creams, washes and sprays for skin conditions) and Horse First (horse supplements).

Figure 4.1 shows that capital investment over the last five years has been low compared to other businesses. Around 79% of those surveyed as breeders have invested less than £50,000 in capital investments. Only 5% of breeders have invested more than £250,000 over the same time.

Figure 4.1: Capital investment by Breeders in NI

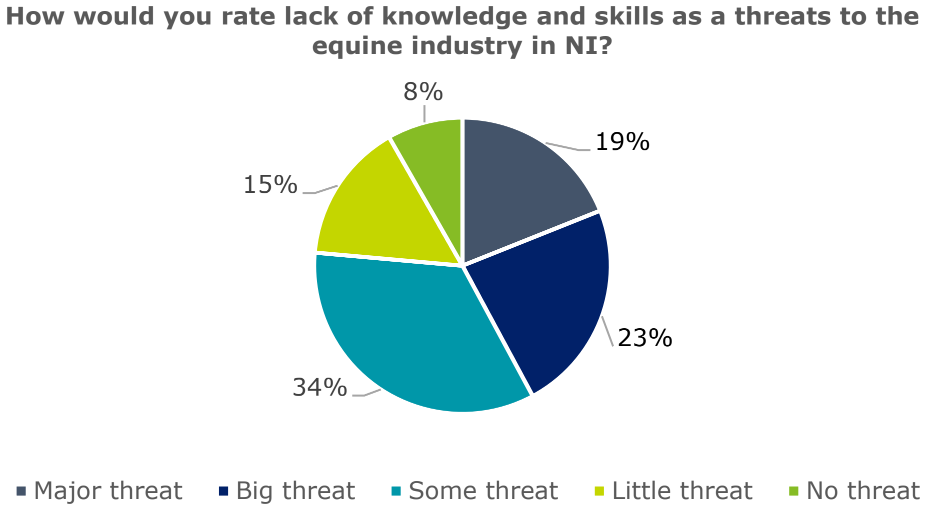


Source: Deloitte Survey

4.3 Knowledge and skills

Having the right knowledge and skills to care for and train horses is vital for ensuring the welfare of horses and participants in the sector, as well as the competiveness of the industry in economic and sport terms. Based on survey responses, this is thought to be a key challenge for the industry, with around 42% of respondents saying it was either a 'major' or 'big' threat, and a further 34% saying it was 'some' threat.

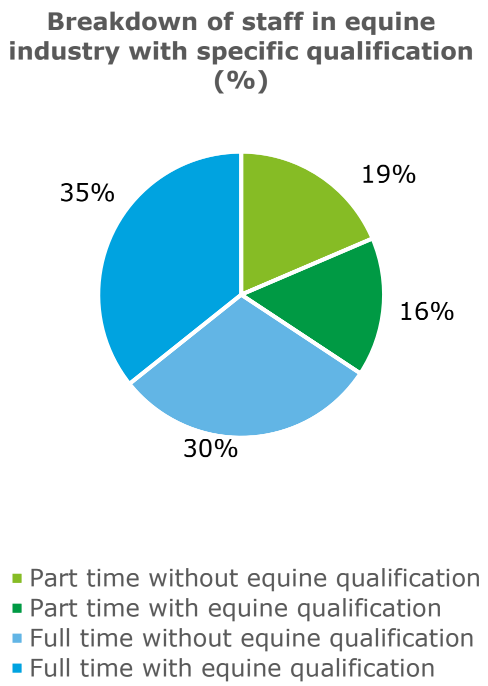
Figure 4.2: Knowledge and skills in NI

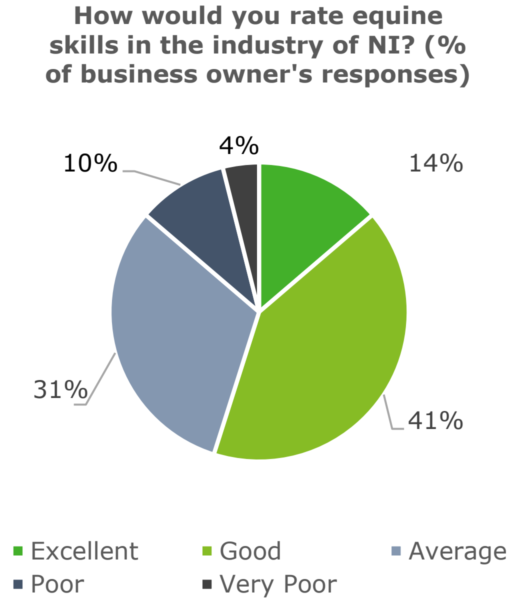


Source: Deloitte Survey

The view from consultations was that while there were good examples of equine skills in NI, there was significant room for improvement. The responses to other survey questions backed this up. While a high proportion of those working full time in the industry have an equine specific qualification, 45% of business owners' thought skills in the sector were very poor, poor or average.

Figure 4.3: Equine skills in NI





Source: Deloitte Survey

CAFRE received many plaudits from those in senior levels of the sport and thoroughbred sector, and it was noted for the practical and business skills it gives students. Common qualifications cited by respondents are shown below:

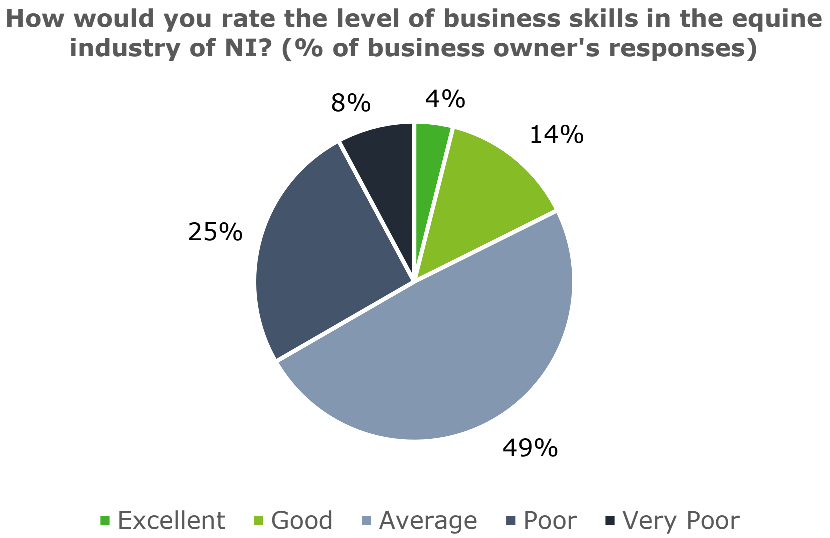
BHS	BSc
CAFRE accredited courses	HND in equine studies and management
MSc	Pony Club tests
Riding for the disabled coaches	Veterinary qualifications

The breadth of courses and qualifications available reflect the diversity and breadth of knowledge in the NI equine industry.

4.3.1 Business skills

Business skills are another important area, and could either constrain or encourage growth in the industry. Around a third of people surveyed said business skills in the sector were either very poor or poor. Nearly half of respondents rated business skills as neither good nor poor with only 17% of business owners rating the skills in NI as 'good' or 'excellent'. This shows there is much potential to enhance business skills in the sector.

Figure 4.4: Business skills in NI



Source: Deloitte Survey

Business skills also were raised as an issue more commonly in consultations, particularly from those outside of the immediate day to day activity of the sector.

Reasons for the lack of business skills were that there was a perceived lack of support from government.

Other areas where gaps were identified include:

- Access to certified courses online;
- Practical experience away from the classroom;
- Opportunities for basic business training, for example start-ups; and
- Opportunities for marketing (including social media)

These gaps could potentially be remedied by increased funding and support.

4.3.2 Veterinary care

Veterinary care is a critical skill, and impacts on animal welfare, economics, and competiveness across the sector.

There were instances of innovative veterinary businesses, for example, an equine veterinary referral service dedicated to providing an integrated approach to the veterinary treatment and care of horses. This includes preliminary lameness evaluation, veterinary acupuncture, veterinary chiropractic, equine dentistry, chronic pain management, rehabilitation and laser therapy.

It was noted, however, in consultations that there are emerging recruitment challenges and difficulties in attracting and retaining young veterinary staff at the beginning of their career. Many are said to be put off by long hours and unsociable work patterns. The British Veterinary Association, in collaboration with the University of Exeter, carried out a study into motivation, satisfaction and retention of vets[11]. In this study, 37% of respondents were said to be actively thinking of leaving the profession. Long hours and stress were highlighted as two main factors, with 48% saying they experienced burnout.

While this was a UK wide study, this challenge is keenly felt locally. An NI specific factor that some consultees believed to be important was the high number of bovine TB tests that take up a lot of junior vets' time. This is suggested to turn a lot of people off the industry.

In addition, there is also no university in NI that offers a full veterinary qualification, and similarly there is no equine hospital. These two factors, while quite reasonable, potentially exacerbate the challenge. With no direct local source nor an 'anchor' private sector employer for talent, NI is potentially more at risk from fluctuations in the supply of young equine vets. Consultations also pointed to a shortage of Continued Professional Development (CPD) opportunities in NI.

Veterinary skills are amongst the most critical skills for the sector. Even a small downward trend in the recruitment and retention of vets would have a damaging effect on the industry, from both a competitiveness and animal welfare point of view. In the context of ambitions to grow the industry, this is a key risk.

4.3.3 Farriery

Farriers typically have reputations as skilled crafts people capable of making shoes to suit all types of conditions. They have even been noted for their ability to recognise defects in animal posture or health, which they can help correct with adjustments in their shoeing. Despite the skill required and the value it can bring, there is no accreditation needed to work as a farrier in NI. This contrasts with both mainland GB and RoI. An accreditation could increase standards, which would improve animal welfare and competiveness. It could also increase profile and wages for those who do get the accreditation and practise in a more regulated market.

4.4 Health benefits

As a recreational and sport activity, horse riding has well established health benefits. Riding a horse even at a walk involves all muscles and core strength, which over even short periods of time can count as exercise. The mental benefit horses can bring is also long established, even dating back to ancient times. New emerging research seeks to quantify the health benefits the equine sector can deliver.

4.4.1 Mental health

The survey carried out for this report also showed that 94% of people thought equine participation made a high or very high contribution to mental health. Equine participation contributes to positive mental health in a variety of ways. The first is the effect of physical exercise which is shown to have a positive impact on mental health[12], and in particular with exercise outside in the natural environment. The second is equine assisted therapy, an idea that dates back many years and is now being explored in a variety of uses.

[11] Motivation, satisfaction, and retention. BVA and University of Exeter. November 2018.
[12] https://www.nhs.uk/conditions/stress-anxiety-depression/mental-benefits-of-exercise/

Horses are said to have unique qualities that make them well suited for therapy. By nature, horses are both herd and prey animals. This means they are not only able to show sensitivity to nonverbal behaviour, but also to look for leadership from others.

Horses are also large animals which means that they cannot be easily forced to act. Humans must therefore cooperate and encourage the horse to achieve the desired behaviours. Learning to direct the behaviour of such a large animal can potentially decrease anxiety and increase self-confidence.

These unique qualities and various randomised trials suggest working with horses helps participants lower defensive systems, challenge old behaviours and develop insight and perspectives for dealing with problems in a way that conventional therapy may not. This has led to its use in a wide range of settings, such as to deal with:

- Mental Health and Behavioural Problems;
- At risk youth;
- Past sufferers of sexual abuse or PTSD;
- Autism;
- ADHD; and
- Addiction.

Another potential use of horses in this type of environment is equine assisted learning. This type of training has been used for young and old people, covering a variety of different topics of learning, including:

- Leadership;
- Problem-solving;
- Teamwork;
- Assertiveness;
- Creative thinking; and
- Confidence.

4.4.2 Physical health

A study carried out by BHS showed the value keeping and riding horses can have for people's health. It showed that riding and even other activities like mucking out stables could expend sufficient energy to count as moderately intense exercise. In the survey carried out for this report, 85% of recreational riders in NI said they rode two or more days a week. This shows that recreational horse riding helps achieve government targets of spending two and half hours a week on moderately intense exercise along with two or more days a week doing all body strength exercises. This was reflected in the survey, with 91% of people saying equine participation contributed to physical wellbeing either highly or very highly.

In a survey carried out by BHS, 39% of people engaged in equestrianism said they had taken no other form of exercise in the previous four weeks. This shows the importance of horse riding for these people.

Case study – Roscommon - Castlerea Prison

There have been a number of case studies globally of equine assisted courses in prison being credited with reducing reoffending rates among inmates. The programmes involve therapy sessions assisted with horses and specialist therapists. As well as the therapy sessions, prisoners are taught to groom and feed the horse and to take care of the stables.

These programmes provide prisoners with opportunities to experience companionship in a typically unforgiving setting. The herd dynamics of the animals mean participants can project human interactions on horses and develop social skills which can help them adjust to challenging circumstances in their lives.

The animal care involved in the programme also allows inmates to build trust and get involved in meaningful activities, which can develop skills that may be transferable to other settings. The combination of this, along with the social skills, can ease transition back into work upon release and reduce rates of recidivism.

This potential benefit lead to campaigners in Ireland working to gain approval for an equine facility in an Irish prison. Eventually permission was granted for an equine block in a medium-security prison in Roscommon, the first of its kind in Europe. Permission for investment relied on fundraising the capital costs, around €100,000, with the prison then paying for the running costs.

Locally one of the primary deliverers of the service is RDA, an organisation mentioned in Section 3. RDA monitors progress of participants using a tracker. In a 12 week programme covered in a RDA report, 74% of riders demonstrated physical improvement, 77% showed greater confidence, 65% showed greater willingness to contribute and 72% showed improved relationship building skills.

In a framework set out by DAERA in 2016 (then DARD) to tackle rural poverty and social isolation, a priority policy area was tackling social isolation by increasing opportunities for social engagement through sport and leisure activities. Among the groups targeted were older people, women, people with disabilities and people with poor mental health. All of these groups can be helped either by equine assisted therapy services themselves, or also by the opportunities that come with volunteering.

In November 2018, DAERA organised a seminar on equine assisted therapy and learning. This event was attended[13] by practitioners as well as current and potential users of the services, for example representatives from the Department of Health and Health and Social Care Trusts and Boards. Feedback was gathered for the event with 80% of attendees rating the usefulness of the seminar 9/10 or above. All non-practitioners surveyed said they planned to further explore the possibilities of using the services.

[13] The Deloitte study team attended the seminar and was able to engage with the attendees.

DAERA Equine Assisted Therapy and Learning seminar: Survey response highlights

From the entire workshop what are the one, or more, most important facts or experiences that have stayed with you? "It was moving to learn how much of this work is volunteer based. More generally, the workshop demonstrated the need for further investment in this area, financially and otherwise. From an academic perspective, it was clear that more research is needed, ideally with the goal of demonstrating the skills and benefits that can arise from equine assisted therapy and learning."

"I feel that the most important fact is that it can be non-verbal or limited disclosure which sets it apart from talking therapies. Thus lending itself to individuals who have been traumatised and cannot or do not wish to speak about it."

What would you like anyone else to do? "I can envisage a centre where participants can receive expert therapy from a range of options involving equines. To provide this service in a professional manner there would need to be a core of paid staff to complement the volunteers."

"I would like to see a centre of excellence created in NI where these services can be offered to both children and adults with disabilities." "A partnership would be required between Health services, Department of Finance and the Department of Education."

"I think it is a positive step forward to develop a steering group. Can I suggest the people present are; the local health authority, District council representatives, Education Authority and parent or participant representatives."

4.5 Raising Awareness

This study, with its findings on economic size, structure, skills and potential for growth alongside the forthcoming work in developing a strategy and action plan, provides a substantial platform for communication and engagement with the sector and beyond the sector to wider audiences. These wider audiences include stakeholders who could have various relationships with the sector:

- Current and future participants;
- Business partners;
- Collaborators;
- Educators; and
- Investors.

Some of these are evidently important if growth potential is to be realised and this opportunity for engagement should be maximised. The scope of engagement and communication is indicated in the table overleaf.

<table>
<tr><th>Key messages to include</th><th>Target audiences</th><th>Key geographies</th></tr>
<tr>
<td>• size and scale of the sector
• structures and need for change;
• knowledge and skills;
• unrealised growth opportunities - including potential to support delivery of government objectives;
• desire of government to work with sector in developing a strategy and action plan to deliver on these opportunities</td>
<td>• Equine sector organisations (including all those who have participated in the study)
• Participants (from full-time workers to recreational);
• Government stakeholders (regional government and local government);
• Other relevant stakeholders (e.g. tourism sector, charitable sectors working on physical and mental health).</td>
<td>• to ensure profile is raised locally, nationally and internationally:
• NI;
• all-island (DAFM; governing bodies; sector bodies);
• GB and other international stakeholders (e.g. DEFRA, international equine bodies).</td>
</tr>
<tr><td colspan="3">Media: The media for communication is important. It clearly needs to be effective in reaching target audiences. The current media channels clearly work for current audiences. If new audiences are to be reached what channels will be used and how will the content be communicated?</td></tr>
<tr><td colspan="3">• Targeted engagements (identify and meet with potential sector advocates)
• Targeted events
• Television and radio
• Print media
• Online/ Website
• Social media (Twitter; Facebook)</td></tr>
</table>

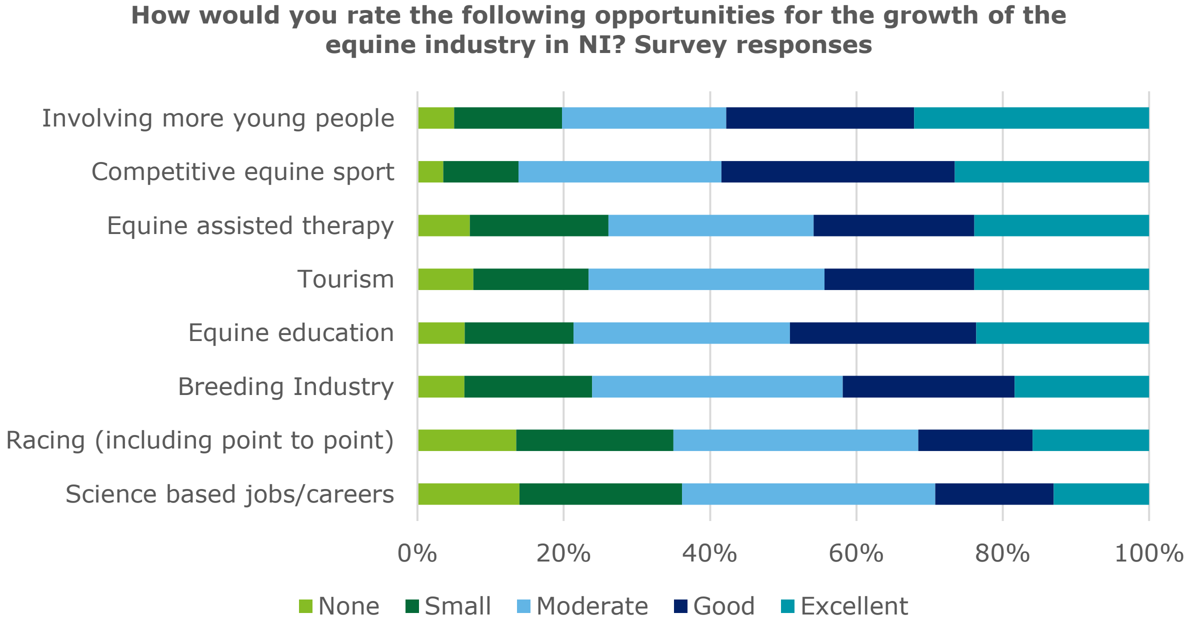
4.6 Conclusion on areas for growth

This report highlights both the value of the industry and the important role the equine sector can have in the rural economy in NI. As well as the overall value, there are a number of areas in the industry which show strong potential for growth. Similarly there are a number of existing challenges, which if overcome could allow the industry to grow and have an even greater role in the NI rural economy.

The current structures and ways of working in the industry are likely to inhibit this potential from being reached.

The survey for this report asked respondents about their view on the biggest opportunities for growth in the NI equine sector. The most popular response was getting more children and young people involved, with 58% saying this was an 'excellent' or 'good' opportunity. The future of the industry will depend on encouraging young people to join the sector as participants or employees.

Figure 4.5: Viability of opportunities in the NI equine sector – Survey responses



Source: Deloitte Survey

Another opportunity that received strong feedback was competitive equine sport. 58% of respondents said this was an 'excellent' or 'good' opportunity. Equine assisted therapy also scored strongly with 46% of responses either 'excellent' or 'good'.

5 Themes for further consideration

5.1 Introduction

The evidence collected in this study will inform the ongoing development of the equine strategy and associated action plan.

This study has estimated the equine sector has a value of between £190m and £212m. The analysis has also identified there is potential for the sector to grow further. There are challenges, not least the fragmented nature of the sector.

In this section we set out a series of themes for further consideration by the Government and wider industry. These seek to release some of this potential, and are focused on areas in which the equine sector can deliver outcomes aligned to the NI public sector objectives, as laid out in the NI Executive Office Outcomes Delivery Plan 2018/19.

5.2 Recommended themes for further development

Theme 1: An effective forum for the equine sector

As section 3.11 concludes, the existing structures in place across the industry, including across the public sector, do not encourage collaboration or ownership around key issues and opportunities. As a first step, a new equine forum should be established with membership from the relevant public sector bodies and across the equine sector. There should also be an emphasis on growing female leadership in the forum. This forum should use the analysis in this study as a basis for informing the equine strategy and key recommendations and actions within it. The forum should remain cognisant of the outcomes that equine can deliver against (see section 2 of this report) and the relationships needed to help deliver them. This forum, or an iteration of this group, should subsequently be involved with implementation of the strategy. Emphasis should be put on adding new, younger voices who have not been previously engaged in industry groups. NI representation on the HSI Board and the relationship between the new NI forum and HSI needs to be considered in this context. For example, consideration should be given to securing an equitable status in HSI for NI. This would allow NI based groups to benefit from training, events, prize money, capital grants and more broadly, tap into the "Irish horse brand".

A case study of a recent attempt to bring together disparate groups from within a sport to work towards a common cause is highlighted below.

Case study – Angling

Angling is the sixth biggest sport in the UK and popular in NI. However it does not have the visibility of many other activities, such as walking and cycling. There are three separate bodies representing different parts of the sport, listed below:

- The Ulster Angling Federation
- The Irish Federation of Sea Anglers – Ulster Provincial Council
- The National Coarse Fishing Federation of Ireland – Ulster Provincial Council.

Until recently these bodies were not collaborative and so there was little coordination within the sector, and a lack of single voice to lobby government and develop the sport. The groups did not collaborate on joint issues. This meant it received little engagement from government.

The sport however faced many critical challenges. Participation was said to be falling and demographics in particular presented a major challenge with the representation of women and young people threatening the sustainability of the sport. A survey carried out showed that 51% of club members were over 50 years of age and only 10% were under 16.

Following a strategic review by DCAL and Sport NI, a National Angling Forum was established under the lead and chair of Department of Agriculture, Environment and Rural Affairs. The forum is the key mechanism delivering on the recommendations made in the strategic review of the sector.

The forum involved representatives from each of the governing bodies as well as from relevant government departments and agencies. The forum sits four times a year. Representatives are invited to attend as appropriate, for example with Tourism NI engaging specifically for programmes involving tourism initiatives.

Outcome Delivery Plan indicator	How this theme could deliver
We prosper through a strong, competitive, regionally balanced economy	Provides training opportunities allowing more participants to gain employment in the industry
We enjoy long, healthy, active lives	Encourage participation in sport and recreation, leading more people to carry out recommended levels of exercise
We are an innovative, creative society, where people can fulfil their potential	Allows more participants to achieve the highest levels of their sport and represent their country.

Theme 2: Strengthening the sector: skills; accreditation; supporting veterinary practice

Skill base: Section 4.3 of this report demonstrates room for improvement in equine sector's skill base. A strong skills base, including entrepreneurial skills, will be critical to any ambition to grow the industry and support its competeiveness. This could be through upskilling programmes, business courses, workshops, support groups for existing businesses in the sector and higher education opportunities. The findings also indicate scope for stimulating research and development (R&D) and innovation linked to growth opportunities, and potential to strengthen international connections (e.g. with academic organisations through higher education, research and technology transfer).

Accreditation: Consideration should be given to how accreditation schemes should be used to drive up standards. For example, should accreditation be introduced for farriers (see section 4.3.3) who play a vital role in the welfare of horses? This would improve standards, animal welfare and encourage people to invest in training and the accreditation. This would also bring NI in line with neighbouring jurisdictions.

Veterinary: There has been discussion on the potential to better support veterinary practice (see section 4.3.2). For example, consideration of the need for a local surgical facility, which could also help to attract more investment in equine research and innovation and enhance veterinary standards. There is also potential for Additional Continued Professional Development (CPD) opportunities in NI, including a variety of practical workshops and scientific presentations, which would help specialist equine vets to upskill and continue to provide up to date and state of the art clinical advice to their clients.

Outcome Delivery Plan indicator	How this this theme could deliver
We prosper through a strong, competitive, regionally balanced economy	Provides employment opportunities and improves competitiveness of existing businesses
We have created a place where people want to work, visit and invest	Gives existing businesses a stronger skills base with which to grow and export
We are an innovative, creative society, where people can fulfil their potential	Encourages investment in innovative and creative technologies and processes

Theme 3: Infrastructure

The quality and lack of appropriate infrastructure and off road riding space have been commonly cited issues during consultations (see section 3.9.5). Consideration should be given to potential value and feasibility of additional infrastructure investment, for example accessible off-road routes and bridleways, riding centres and associated facilities.

Outcome Delivery Plan indicator	How this theme could deliver
We prosper through a strong, competitive, regionally balanced economy	Increases visitors to the rural economy
We enjoy long, healthy, active lives	Encourages more people to ride recreationally, and so take part in exercise two or more times per week
We have created a place where people want to work, visit and invest	Improves rural NI's attractiveness for tourists

Theme 4: Equine assisted therapy and learning services

While equine assisted therapy has been established for a number of years, it remains a niche form of treatment and is reliant on volunteers. Section 4.4.2 demonstrates the potential for this service. Further work should be undertaken to establish a strong evidence base, including scientific evidence and business case demonstration of potential benefits. The community of interest cuts across government departments and agencies, industry and third sector. Building the evidence base would be a pre-cursor to more planned intervention, delivering services to those in need. This would also better allow feasibility of potential opportunities, for example an all-island centre of excellence focused on research, training and service delivery.

Outcome Delivery Plan indicator	How this theme could deliver
We enjoy long, healthy, active lives	Improves mental health outcomes and encourages participation in outdoor activity
We care for others and help those in need	Provides therapy and learning services for those in need and who may struggle with other styles of therapy
We give our children and young people the best start in life	Increases opportunities for young people to learn in a new environment

Theme 5: Data

Increased quality of data collection and analysis should be a fundamental building block of a high functioning sector. Section 2.2.1 provides further context to this. There should be new and ongoing efforts by DAERA and partners to strengthen equine sector data, in particular data on the equine population. Future investments will depend on business cases, the strength of which will relate to the available evidence base. There is a broad awareness of the current weaknesses of equine databases and initiatives are planned to begin addressing these. For example, UK database administrators are undertaking a cleansing exercise. There are also behaviours, for example not reporting a death of a horse, which affect the quality of data. All these will take time to address. The potential to strengthen data via the registration of premises where equines are kept is an option. Engagement of industry stakeholders should help build understanding of the benefits and adoption of such a practice.

Theme 6: Communication

Section 4.5 indicated the need to raise awareness of the equine sector and the opportunities associated with it. The Government should develop a communication and engagement plan to support efforts to raise awareness of the sector and in particular engage key audiences with the findings and recommendations of this study. This plan could also coordinate communication going forward in relation to the strategy and action plan, the timing of which should take into account external factors, for example Brexit.

Appendix 1

Expenditure by thoroughbred involvement (£)	Breeder	Owner
Respondents	22	75
Livery (inc.training fees)	-	3,320
Vet/Medical	1,099	574
Farrier	407	533
Transport	711	672
Feed	2,547	1,315
Bedding	630	519
Equestrian equipment	279	535
Competition costs	-	1,072
Insurance	551	485
Other	1,238	1,032
Total	**7,462**	**10,057**

Source: DAERA survey, Deloitte analysis

Expenditure by non-thoroughbreds involvement (£)						
Involvement	**Breeder**	**Owner**	**Competitor**	**Recreational Rider**	**Direct**	**Ancillary**
Respondents	**21**	**194**	**168**	**177**	**65**	**37**
Livery	-	1,542	1,173	1,094	-	-
Vet/Medical	495	427	486	299	530	255
Farrier	264	456	466	317	499	665
Transport	271	781	862	361	858	730
Feed	861	672	802	515	1,371	663
Bedding	429	490	436	284	579	714
Equestrian equipment	327	606	756	414	1,471	673
Competition costs	-	753	947	323	-	-
Insurance	131	278	377	189	815	155
Other	1,039	657	624	358	1,067	1,826
Total	**3,817**	**6,662**	**6,929**	**4,154**	**7,190**	**5,681**

Source: DAERA survey,
Deloitte analysis

Appendix 2

The table below demonstrates how the equine sector delivers against PfG outcomes, and how this can be grown in the future. There is further analysis throughout the body of the report. The current and future potential scale is intended to show relative potential to current situation.

Outcome	Equine sector contribution		How the sector contributes
	Current	Future potential	
We prosper through a strong, competitive, regionally balanced economy	✓✓	✓✓✓	The equine industry provides jobs to the rural economy. Investing in skills and R&D would help grow employment and strengthen the economy towards rural areas.
We live and work sustainably – protecting the environment	✓	✓✓	The equine sector, via the rural communities it supports and the visitors it brings, has an important role in respecting and protecting the environment it uses and benefits from.
We have a more equal society	✓	✓	The equine sector continues to represent a cross-section of NI society and operates across communities with no bias in relation to age, race, religion, gender or disability.
We enjoy long, healthy, active lives	✓✓	✓✓✓	The sector provides health benefits to participants. Improving access in terms of riding and volunteering opportunities and physical access to safe (off-road) tracks would increase the number of participants and associated health benefits. Equine therapy and services also offers relatively untapped potential in terms of both mental and physical health benefits.
We are an innovative, creative society, where people can fulfil their potential	✓	✓✓	There is potential to encourage and enable enhanced innovative practice and culture. There is also potential for the sector to offer more opportunities for participation from recreational through to elite level competition.
We have more people working in better jobs	✓	✓✓	The equine industry provides a number of jobs in the rural economy. With a more competitive sector, the number and quality of jobs could be increased.
We care for others and help those in need	✓	✓✓	Equine assisted therapies and services are emerging, but a government coordinated approach could deliver greater benefits for a wide range of health care users.
We are a shared welcoming and confident society that respect diversity	✓	✓	The equine sector continues to represent a cross-section of NI society and operates across communities. Various communities, e.g. those with disabilities, continue to get the opportunity to access riding.
We have created a place where people want to work, visit and invest	✓	✓✓	Participation in the equine sector encourages people to engage with the rural environment and particpate in events across NI.
We connect people and opportunities through our infrastructure	✓	✓✓	Participation in the equine sector encourages people to engage with the rural environment and participate in events across NI. An enhanced physical network of safe, off-road riding opportunities would further support this outcome.
We give our children and young people the best start in life	✓	✓✓	There is strong youth engagement, providing (physical and mental) health and social benefits. Growing this and investing in equine assisted learning programmes could help greater achieve this outcome.

Disclaimer

General

This report has been prepared for DAERA and has been written in general terms and therefore cannot be relied upon to cover specific situations; application of the principles set out will depend upon the particular circumstances involved and we recommend that you obtain professional advice before acting or refraining from action on any of the contents of this publication.

No other party is entitled to rely on our report for any purpose whatsoever and we accept no duty of care or liability to any other party who is shown or gains access to this report.

The report has been prepared principally from information that you have provided to us, pursuant to the scope of the work agreed in the engagement letter, and from other available sources consulted during the preparation of this report.

Whilst all reasonable care has been taken to ensure that such information has been accurately extracted or derived from these sources, we have not separately verified the information, nor sought to establish the reliability of the sources.

Insofar as this document contains conclusions and opinions, these are statements of opinion and should not be treated as statements of fact. These opinions and conclusions are derived from the work we have undertaken, as described herein, and are held at the date hereof but may not be applicable thereafter.

Introduction and scope of our review

DAERA commissioned Deloitte to produce this report, which has been prepared in accordance with the contract dated 30th April 2018. The report sets out the results of research and analysis of the Northern Irish Equine Industry.

Use of this report and legal responsibility

Some of the matters discussed in this report are by their nature technical. The intended recipient of the report, DAERA, is familiar with the issues, facts and other matters addressed and the report was written with that in mind.

This report is prepared for the sole and confidential use of DAERA and for the purposes set out in the terms of engagement. In preparing this report our only responsibility and duty of care is to DAERA. We did not, and do not by consenting to publication of this report, assume or accept or owe any responsibility or duty of care to any other person.

DAERA has asked for our consent to making this report publicly available by posting it on DAERA or other equine industry websites, and other appropriate distribution methods as agreed with Deloitte. We have agreed to provide such consent on the following conditions:

· This report may not be suitable for the use of any person other than DAERA. Accordingly, publication of this report to persons other than DAERA is for information purposes only and no person other than DAERA should place any reliance on this report; and

· We do not assume or accept or owe any responsibility or duty of care to any person other than DAERA. Accordingly, any person other than DAERA who, contrary to the above, chooses to rely on this report, does so at their own risk and we will not be responsible for any losses of any such person caused by their reliance on this report.

Consultations

We have consulted with individuals from a number of organisations. Consultations took the form of one to two hour meetings covering a set agenda in line with the contents of this report. These were typically face to face meetings with some phone calls used due to travel constraints. Consultations had notes written up and used as the basis for evaluating the sector. A list of key stakeholder groups was provided by DAERA with representatives from each group consulted. These groups are listed below:

Organisation
British Horse Society
DAERA - College of Agriculture, Food and Rural Enterprise
DAERA - Forests and Recreation
DAERA - Veterinary and registrations/inspections
DAERA Environment Agency
Department of Agriculture, Food and the Marine
Department for Infrastructure
Derry and Strabane Council (including representatives from other councils involved in cross council recreation group)
Downpatrick racecourse
Down Royal racecourse
Dressage Ireland
Equine Council NI
Eventing Ireland
Farrier
Horseracing NI
Horse Sport Ireland
Irish Long Distance Riding
Laurel View Equestrian Centre
NI Horse Board
Nutrition / Health company
Pony Club
Riding for the Disabled
Scottish Racing
Show Jumping Ireland
Sport NI
Tourism NI
Ulster Rural Riders Association
Vet NI

Consultations also included site visits to CAFRE Enniskillen campus, The Donkey Sanctuary and a DAERA organised conference on equine assisted therapy and learning.

Our reliance on information

In preparing this Report, we have used information and data extracted from various published sources, which we assume to be reliable, to obtain the inputs into the estimates of the economic value of the Northern Irish Equine Industry. In addition, we have used information and data which have been provided to us by a wide variety of organisations including DAERA and other equine industry organisations.

In all cases (and including information from organisations not listed), we have relied upon such information and data as being true, correct and complete and have not audited, tested or checked any such information or data.

Specific limitations of our review

In accordance with our terms of engagement, or due to our findings when performing our work, the following specific limitations should be noted.

As a simplification of any industry an economic valuation of this type can only ever be expected to represent an approximation of a real-life outcome. The valuation relies upon information provided by stakeholders via an online survey as well as other published sources.