



Analysis of the economic impact of the Irish Thoroughbred Horse Industry

Directed by
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Commissioned by Irish
Thoroughbred Breeders'
Association

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1. Introduction

1.1 Introduction

The bloodstock and racing industry has long been an important part of the Irish economy and also one of the distinguishing signs of 'Irishness'. The people involved in it come from all sections of Irish society:

- small farmers who breed a few horses
- farmers who have built up high reputations for the quality of their stock over many years
- trainers with a long family tradition
- people from all over the world who are drawn by the quality of the Irish horse to invest in Irish bloodstock and to breed bloodstock in Ireland
- jockeys some of whom become trainers
- stable lads and girls some of whom become famous jockeys
- people from all walks of life for whom horses and horse racing are a pervading passion, and
- The hundreds of thousands of people who simply enjoy a day at the races.

The Irish horse breeding and racing industry has long been renowned throughout the world for its excellence. It continues to add to its reputation. At the time of writing this report, Irish trained horses occupy three of the top four places in the World Thoroughbred Rankings (i.e. three of the four best horses in the world are trained here, including world champion Sea the Stars).

1.2 Salient Points

This study sets out to situate the Irish bloodstock sector in its economic and social context and to illustrate the value of its contribution to the economic and social life of the nation.

The salient points (data for 2008, except where otherwise stated) are

- There are 22,084 full time employees in the thoroughbred equine industry. The vast majority are in rural areas where alternative employment opportunities are limited. Of those 6,200 people are estimated to be employed in the off course betting sector (approx 70% of whose turnover is on horse and greyhound racing).
- The gross value of the industry to the economy is in excess of €1.1 billion per annum.
- A total of €290 million is spent on training fees (of which a significant proportion originates abroad).
- Prize money totals €60 million, 44% of which comes from within the industry.
- Net Government funding through the Horse and Greyhound Racing Fund amounted to €24 million or €1,512 per person directly employed in the industry. This net funding figure is arrived at by deducting the €37 million realised by the 1% betting levy from the Exchequer allocation of €61 million to HRI.
- Stallion nomination fees are valued at €188 million, 34% of which are paid by overseas mare owners.
- 6,222 Irish thoroughbreds to the value of €216 million were exported to 42 countries.
- Attendance at race meetings during the year totalled 1.4 million.
- The number of individuals involved in race horse ownership is 19,036.
- There are 10,106 registered breeders in Ireland, 93% of whom own less than 5 mares.
- The industry produces significant benefits for the tourism industry, with approximately 80,000 people visiting Ireland for race-meetings, sales and stud operations.
- Horse racing and thoroughbred breeding is a fully taxed, environmentally friendly industry.
- It is a sport in which Ireland is a recognised world leader.
- The value of racing festivals and other meetings to local economies is estimated at €260 million.

Sea The Stars led in by John Hynes after winning the Prix de l'Arc de Triomphe, his sixth Group 1 race.

1.3 Government Support

The Irish Exchequer provides a modest level of support for this €1 billion industry. In 2008, the Exchequer allocation to Horse Racing Ireland amounted to €61 million, an amount which bears favourable comparison to other areas of economic activity. The 1% betting levy realised €37 million, giving a net Exchequer contribution of €24 million.

Statutory mechanisms to support the thoroughbred racing industry operate in most countries worldwide. The levels of support in the UK and France (Ireland's two most important markets and most direct competitors) are considerably higher in relation to the level of employment in the industry than is the case in Ireland, as the following table shows.

Table 1.3.1 : Support for the Thoroughbred Racing Industry, UK, France and Ireland 2008 (€ million)

	France	UK	Ireland
Betting Levy		110	
PMU (French Tote Monopoly)	736		
HRI Funding (Net)			61 (24)
Direct employment (excl. betting)	45,000	20,400	15,086
Support per job (euro)	16,355	4,043	1,591

Sources: UK: Economic Impact of British Racing, BHA, Sept. 2009. Ireland: ITBA Study, Aug.-Sept. 2009. France: PMU Annual Report, 2008.

Note: employment is direct employment in racing and breeding industries and directly related services.

1.4 Industry under threat

- While this report situates the industry in 2008, those in the industry are worried by the emergence of adverse trends during the course of 2009.
- Funding provided to Horse Racing Ireland - already small when compared to the support given to the industry in our main competitor countries - has been reduced.
 - This, together with the loss of a number of high profile racing sponsors, has had a negative effect on the amount of prize money available and on the number of horses in training.
 - These changes ultimately affect the level of employment in the industry: industry sources indicate that employment levels may have fallen by between 15% and 20%.
 - The volume of public bloodstock sales has decreased by approx 65% in the last two years. The levels of stallion fees have also fallen dramatically.
 - Foal production fell from over 12,400 in 2008 to approx 10,000 in 2009 and a further drop to 8,000 is forecast for 2010.

In the face of these negative trends, any further reduction in the relatively modest level of net State support to the industry would be seriously counter-productive, particularly when support in our main competitor countries, the UK and France, remains at a much higher level than that prevailing here. Any further reduction in support would have a magnified effect on prize money and other industry services and on the attraction of Ireland as a vital centre for the industry. Any measures that further reduced this attraction would be short-sighted in the extreme and would entail a grave risk of displacing breeding and training activity from Ireland to France and the UK. This would seriously endanger the primacy which Ireland has built on the foundation of generations of dedication and experience, with a negative effect on rural development.

1.5 Executive Summary by Alan Dukes

The conclusion of this analysis is abundantly clear: a relatively modest amount of State funding has been very successfully leveraged by the industry to produce a strong dynamic impulsion. This compares very favourably with the returns from much higher levels of support to other areas of economic activity.

Government funding must remain to ensure survival of this very successful industry and to continue its growth into the future as one of Ireland's most dynamic agricultural sectors.

1.6 Research

This report was prepared and researched under the guidance and direction of Alan Dukes. It was managed and authored by Troy Cullen and Ian Towey with research assistance from Darren Fox, Leo Blake, Aaron O'Neill and Gillian Sheridan.

This report was commissioned by the Irish Thoroughbred Breeders Association, with Joe Foley (Chairman ITBA) and Shane O'Dwyer (Manager ITBA) and Roderick Ryan (consultant) providing industry expertise and support.

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Director and Public Affairs Consultant, WHPR.

Director, Anglo Irish Bank.





2. Horse Racing

2. Horse Racing

This section outlines the contribution of the racehorse training sector to the equine industry and the broader Irish economy. This sector is the key part in the equine industry. A decline in the racehorse training sector would have a direct impact on the other sectors of the equine and supporting industries.

2.1 Employment

Table 2.1.1 shows the number of people employed directly in services related to the horse racing sector.

Table 2.1.1 : <i>Employment related to the Horse Race Training sector 2008</i>		
Sub Sector	Number Per Sub Sector (Full Time)	Number Per Sub Sector (Part Time)
Licensed Trainers *	784	
Jockeys and Apprentices	261	
Qualified Riders †	117	482
Stable Staff *	1,784	1,751
Administration support staff	378	
Educational Institutes †	151	
Point-to-Point training yards	492	
Breaking Yards / Breeze ups	172	
Pre-Training	215	
Total	4,354	2,233
Total (using 1 PT = 0.5 FT)	5,471	
Source: HRI Fact Book 2008 *, ITBA Survey see Appendix B †		

2.2 Expenditure by Owners on Horse Training Fees

In the following section, the total expenditure by race horse owners on training fees is calculated. These training fees are funded from the discretionary income of race horse owners.

Based on the ITBA confidential survey of race horse training operations, the following assumptions have been made.

- 3 categories of horse race training operations
 - Category 1 : €100/day training fee
 - Category 2 : €50/day training fee
 - Category 3 : €40/day training fee
- The distribution of the number of horses in training (12,122, HRI Fact Book 2008) in the 3 categories is
 - Category 1 : 900
 - Category 2 : 5,900
 - Category 3 : 5,322
- Horses are in training for an average of 260 days per year
- Horses are in livery for the remaining (105 days) of the year.
- Cost of keeping a horse in livery per day is
 - Category 1 : €50/day
 - Category 2 : €35/day
 - Category 3 : €25/day

Using the above assumptions, the amount of money spent on training and maintaining race horses in 2008 was €196 million. This figure is broken down below Table 2.2.1.

Table 2.2.1 : *Expenditure by owners on basic horse training fees*

Trainer Category	No. Horses per category	Training Costs per day (€)	Livery Costs per day (€)	No. days Horses in Training	No. days Horses in Livery (€)	Training Expenditure	Livery Expenditure (€)	Total (€)
1	900	100	50	260	105	23,400,000	4,725,000	28,125,000
2	5900	50	35	260	105	76,700,000	21,682,500	99,267,500
3	5322	40	25	260	105	55,348,800	13,970,250	69,319,050
Total								196,711,550

Source: ITBA estimates based on confidential survey, HRI Factbook 2008

The above table covers basic training fees. Expenses and Other fees attributable to the horse owners but not included above, include:

- Entry fees
- Insurance
- Gallops / Schooling
- Transport
- Jockeys' Fees
- Veterinary / Farrier etc.

Table 2.2.2: *Total Expenditure by Owners on Horse Training and Racing fees (euro €)*

Section	Value (€ million)
Total from Table 2.2.1	196,711,550
Entry Fees *	17,224,000
Insurance (‡)	6,200,000
Veterinary/Farrier ‡	14,542,800
Jockeys Fees ‡	5,372,971
Transport ‡	9,695,200
Point to Point ‡	20,868,000
Prize money % going to Trainers, Jockeys, etc ‡	14,496,240
Gallops \ Schooling fees ‡	4,700,000
Total	289,810,761

Source: HRI Fact book 2008 *, See Appendix C for a description of how the ‡ figures were calculated

2.3 Importance of Prize Money

2.3.1 Prize money analysis

This section analyses the relationship between prize money, on the one hand, and training fees expenditure and stable staff employment on the other. Over the period since 1999, expenditure on training fees and stable staff employment averaged about five times the total prize money available. In 2008, for example, €289 million was spent on training fees to win available prize money of €60 million. In 1999, €130 million was spent on training fees to win available prize money of €20 million.

Table 2.3.1.1 : *Annual figure for ; # horse in training, employment, prize money and training fees 1999 – 2008*

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
No. Horses in Training*	7,305	8,028	8,800	9,158	9,360	9,618	10,416	11,109	12,088	12,119
No. Stable Staff and Jockeys*,‡	2,087	2,294	2,514	2,845	2,876	2,861	2,926	3,031	3,236	3,278
Total training fees (€), ‡	122,759,096	142,412,926	163,710,929	178,237,111	188,505,645	197,978,037	219,614,279	243,430,845	277,770,503	289,810,761
Total Prize money (€) *,†	20,546,000	30,737,000	42,207,000	45,550,000	49,651,000	51,460,000	51,182,000	55,061,000	59,607,000	60,401,000

Source : HRI Fact books (2004 - 2008) *,HRA Annual Report (1999) †, ITBA Estimate ‡ (see box below on formula for calculating total training fees for 1999 – 2007, based on no. horses in training (HRI Data), inflationary statistics (CSO data) and the ITBA estimated value of the total training fees for 2008)

The data for the total training fees for the years 1999 to 2007 as shown in Table 2.3.1.1 above have been calculated as follows;

Training Fees for 2008 multiplied by CSO purchasing power data for year multiplied by the number of horses in training for year divided by the number of horses in training in 2008. This formula is shown in Box 2.3.1.1.

Table 2.3.1.1 : *Formula to calculate total training fees for 1999 to 2007)*

$$\text{Total training fee YYYY} = \frac{(\text{Total training fees 2008} \times \text{CSO Inflation data}) \times (\text{No. Horses in Training YYYY})}{(\text{Horses in Training 2008})}$$

Where YYYY = 1999... 2007

784 LICENSED TRAINERS

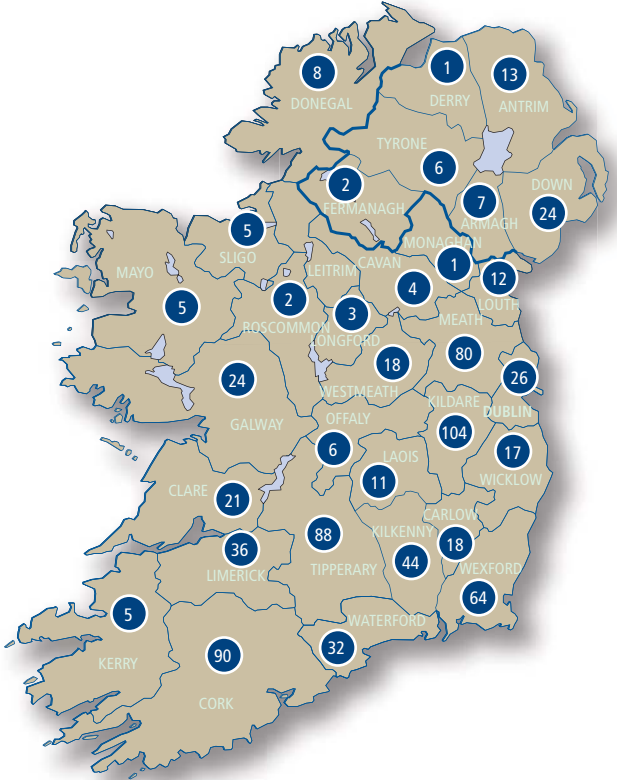
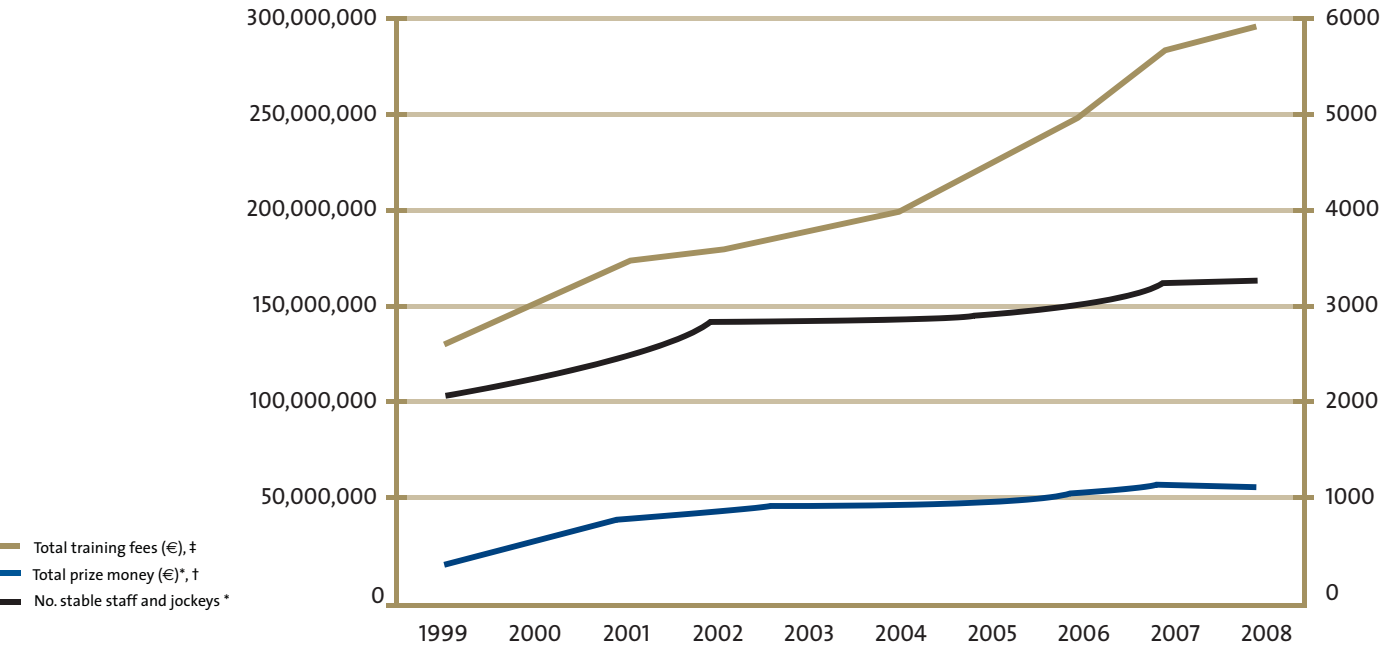


Figure 2.3.1.1 : Relationship between prize money, training fees and stable staff employment



2.3.2 Prize money sources and distribution

Prize money sources and amounts are presented in the tables and figures below.

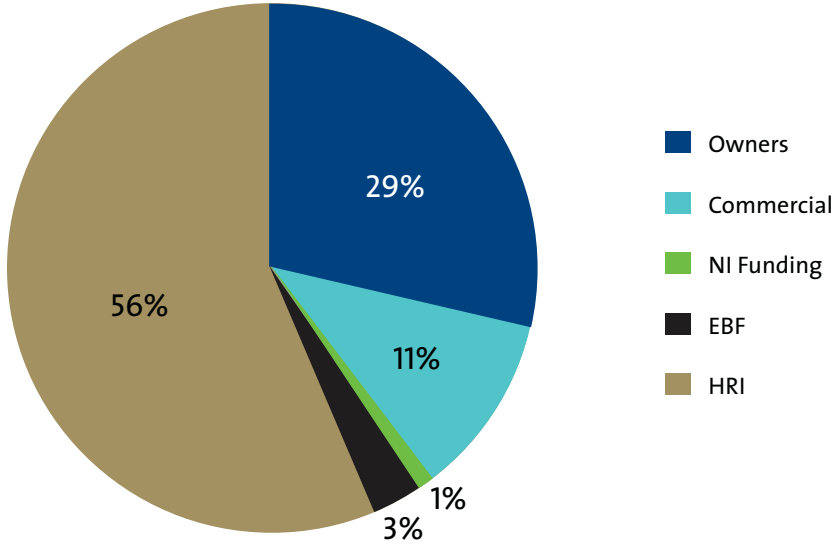
Table 2.3.2.1 : Total Prize Money 2004 - 2008				
Year	FLAT €'000	N.H. €'000	TOTAL €'000	%change on previous year
2004	25,541	25,919	51,460	3.60%
2005	25,469	25,813	51,182	-0.50%
2006	27,965	27,096	55,061	7.60%
2007	31,094	28,513	59,607	8.30%
2008	31,723	28,678	60,401	1.30%

Source: Source : HRI Fact Book 2008

Table 2.3.2.2 : Sources of Prize Money 2004 - 2008						
Year	Owners €'000	Commercial €'000	NI Funding €'000	EBF €'000	HRI €'000	Total €'000
2004	13,919	5,350	565	1,712	29,914	51,460
2005	13,391	5,579	362	1,941	29,909	51,182
2006	15,847	6,273	462	1,884	30,595	55,061
2007	17,651	7,306	454	1,928	32,269	59,607
2008	17,224	6,824	456	1,888	34,009	60,401

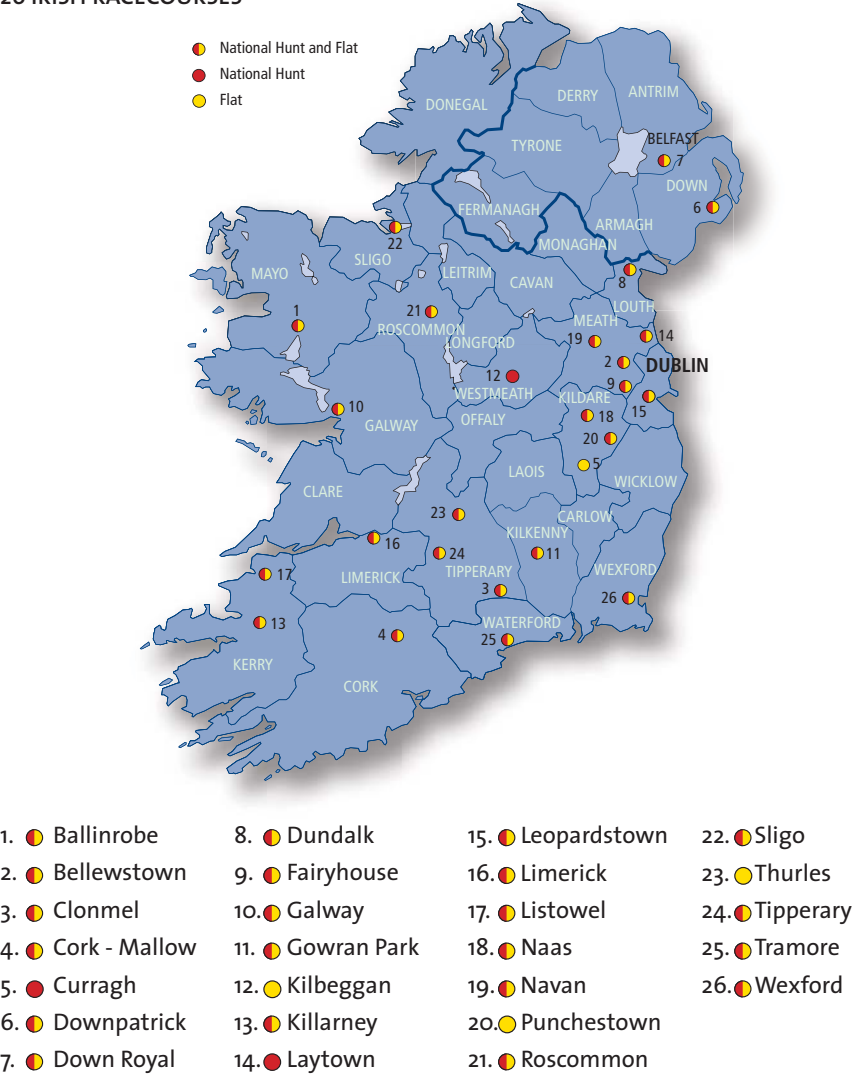
Source: Source : HRI Fact Book 2008

Sources of Prize Money 2008



HRI receives funding from the Horse and Greyhound Racing Fund. This funding was €61 million in 2008 with a further €15.2 million going to greyhound racing. This fund is financed in part by the 1% off-course betting tax; in 2008 off-course betting was €3.7 billion which generated betting tax of €37 million. Thus, direct net government funding of the racing industry amounted to €24 million in 2008. When the fund was first established it was fully funded from betting duty.

26 IRISH RACECOURSES





3. Betting

3. Betting

This section examines the betting sector of the equine industry.

3.1 Employment

Table 3.1.1 shows the number of people employed in the betting industry.

Table 3.1.1 : *Employment related to the betting sector 2008*

Sub Sector	Amount Per Sub Sector	
	Full Time	Part Time
Registered On Course Bookmakers	185	
Bookmakers Assistants †	224	150
Total Bookmakers off course *	6,200	
Tote	155	478
Total	6,998	

Source: Irish Bookmakers Association *, ITBA Confidential Survey †, AIR

Note: Tote part time employees equate to .33 full time of an employee.

3.2 Racecourse Attendances and on-Course Betting

Ireland has more race tracks in relation to population size than any other country in the world. There are 27 race tracks in Ireland, with 342 meetings in 2008. Apart from the fact that interest in racing is very high, Ireland is one of the few countries which has National Hunt racing all year round. This explains the high number of tracks. Table 3.2.1 presents data on race meeting attendances and spending.

Table 3.1.2 : *Racecourse Attendance and course betting 2008*

	Value
Total Attendances (numbers) *	1,392,134
Total on course betting (€) *	237,195,619
Number of race meetings *	342
Total Number of races *	2,454
Average Attendance per meeting (numbers) ‡	4,070
Average bet per race per person (€) ‡	23.75

Source : HRI Fact Book 2008 *, ITBA ‡

3.3 Economic contribution of racing festivals

The value of some of the large racing festivals to their local economies is very significant. The summer festival in Galway, for example, is the fourth largest racing festival in the world. Table 3.3.1 presents rough estimates of the value of some of the top race meeting to their local economies.



3.4 Economic contribution of on-course and off-course betting

Table 3.3.1 : Racing festivals value 2008			
Festival	No. Days	Value (€million)	Attendance
Galway	7	60	192,321
Punchestown	5	43	105,669
Listowel *, ‡	7	38.4	106,822
Leopardstown ‡	4	21.3	59,379
Curragh ‡	3	15.6	43,336
Other festivals ‡	39	62.1	228,942
Total	65	260.6	736,469

Source: HRI Fact Book 2008, *Listowel attendance figure is from 2007 as 2 days were cancelled in 2008, See Appendix D for calculation of racing festivals ‡

On course betting is made up of 4 elements.

1. Bookmakers' home betting (€163,740,555 in 2008)
2. Bookmakers' away betting (€3,501,747 in 2008)
3. On course SP shop (€14,849,295 in 2008)
4. Tote (€55,104,022 in 2008)

On course betting totalled €237,195,619 in 2008.

Total recorded off-course betting for 2008 was €3.7 billion. HRI estimates that off-course betting amounted to €5.5 billion in total, with 30% being lost to on-line betting operators, both bookmakers and betting exchanges.





4. Breeding

4. Breeding

This section presents an analysis of breeding operations in Ireland. This sector of the thoroughbred equine industry comprises mainly of stallion and broodmare maintenance and foal production.

4.1 Employment

A confidential survey of employment on breeding operations was carried out by the ITBA. A sample of 264 breeding operations of various sizes was randomly selected to investigate employment levels. The number of persons employed in the breeding sector is estimated at 6,107. A detailed breakdown of how this figure was calculated is set out in Appendix B.

4.2 Stallions, Broodmare and Foal Production Data

The number of thoroughbred stallions in 2008 totalled 416 (HRI). Table 4.2.1 illustrates the increase in the number of stallions standing in Ireland since 1984.

Table 4.2.1 : <i>Number of Thoroughbred Stallions at Stud in Ireland, 1984-2008</i>							
Category	1984	1995	1997	2002	2003	2008	% change 1995 2008
Number of Stallions at Stud	250	373	367	356	390	416	10.34%
Source: Tansey, Webster & Associates (1996) and Horse Racing Ireland.							

The number of thoroughbred broodmares in 2008 totalled 20038 (HRI). Table 4.2.2 illustrates the increase in the number of broodmares in Ireland since 1984.

Table 4.2.2 : <i>Number of broodmares in Ireland, 1984-2008</i>							
Category	1984	1995	1997	2002	2003	2008	% change 1995 2008
Number of Mares at Stud	7,500	11,950	12,900	16,467	16,938	20,038	59.64%
Source: Tansey, Webster & Associates (1996), Weatherbys Ireland and Horse Racing Ireland.							

The distribution of mares is shown in table 4.2.3. This shows that the majority of breeding operations are on a very small scale.

Table 4.2.3 : <i>Number of breeders by category of number of mares owned</i>	
No. Mares	No. Breeders
1-2	8,218
3-4	1,198
5-10	544
11-20	117
21-30	20
31+	9
Source : Weatherbys Ireland	

In 2008, Irish mares ranged in age from 3 to over 25 years. Of the active breeding broodmare population, 60% were aged between 5 and 12. (Weatherbys Ireland)

Figure 4.2.1 : IRE Profile of Broodmares

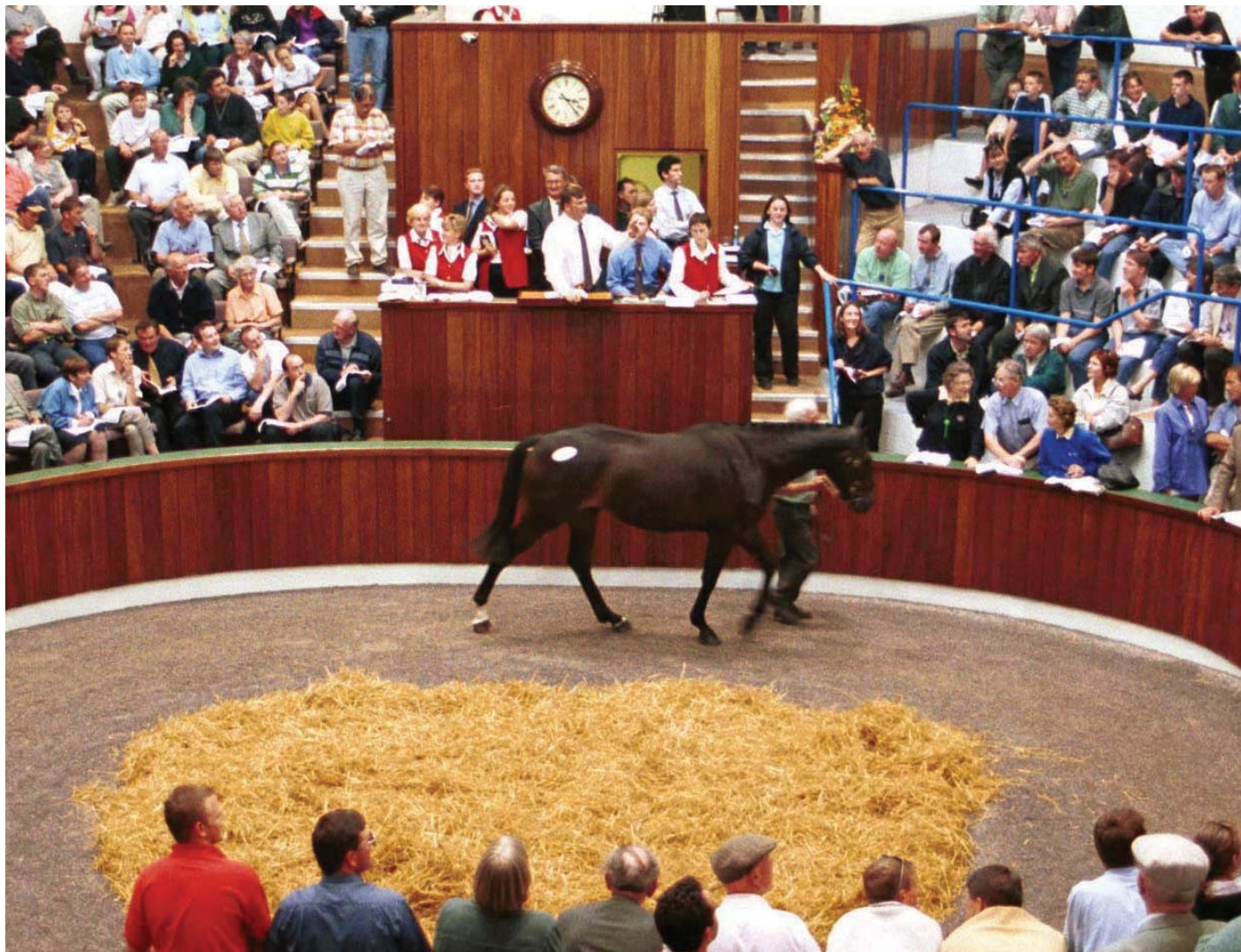
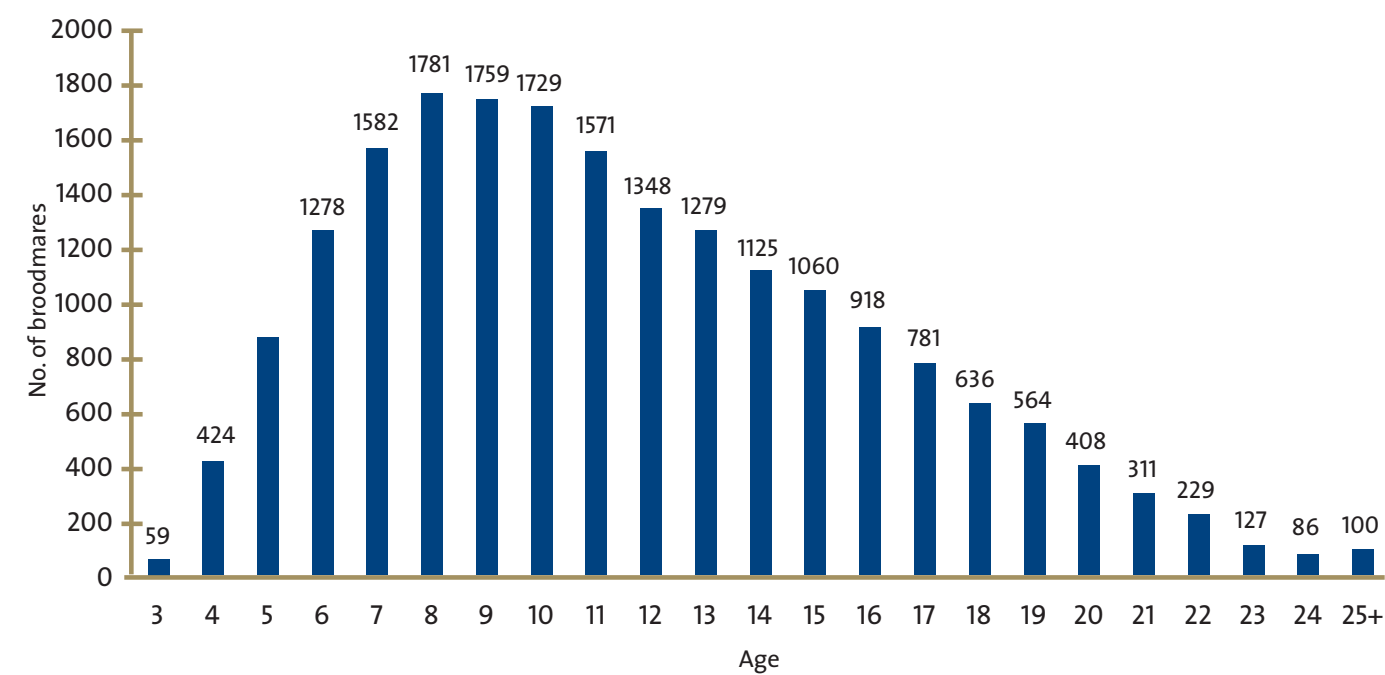


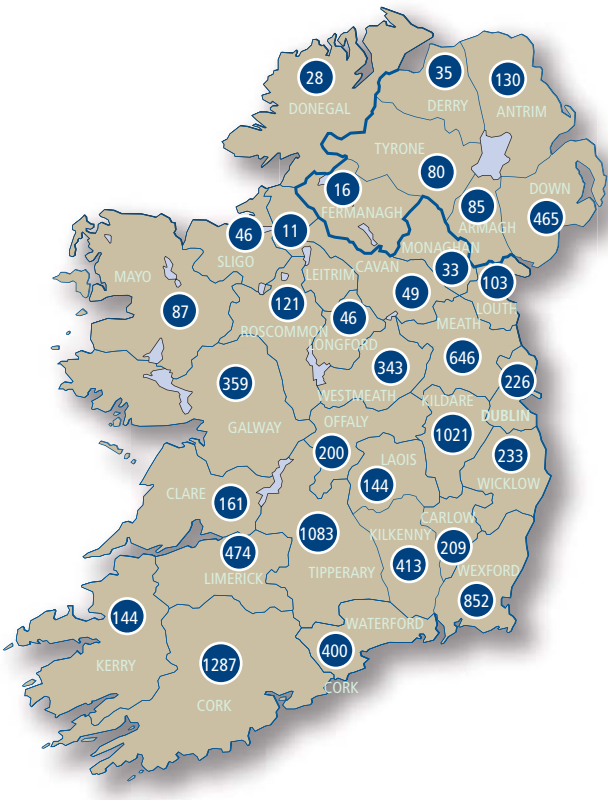
Table 4.2.5 below shows the number of thoroughbred foals produced in Ireland in recent years. Ireland produces 42% (EBF data) of the thoroughbred foals in Europe. These numbers increased significantly between 2001 and 2008.

Table 4.2.5 : Number of Thoroughbred Foals, 2001-2008					
	2001	2002	2003	2006	2008
Thoroughbred Foals	9,452	10,214	10,574	12,004	12,419

Source : Weatherbys Ireland, HRI Fact book 2008

Ireland produces 42% of all thoroughbred foals in Europe and is a global market leader in this field. This is an extraordinary statistic for a country with only 0.56% of the EU population. The superior quality of Irish foals is widely recognised and is a direct result of the fact that most of the industry’s major stallions are based in Ireland. The champion sire in Europe in each of the last eighteen years has been based in Ireland.

10,106 REGISTERED BREEDERS



4.3 Cost of keeping mares, foals, yearlings and stores

Table 4.3.1 below outlines the cost of maintaining Mares, Foals, Yearlings and store horses (National Hunt horse aged two, three and four) in 2008.

Table 4.3.1 : Cost of keeping mares, foals and yearlings per annum			
	Total Number	Cost of maintenance (€)	Total Cost (€)
Mares	20,038	6,200	124,235,600
Foals	12,419	1,760	21,857,440
Yearlings	9,314	4,800	44,707,200
Stores	9,200	3,750	34,500,000
Total			225,300,240

Source: ITBA Confidential Survey

4.4 Economic Contribution of the Breeding Sector

This section is an assessment of the overall economic contribution of the breeding sector. Table 4.4.1 shows the value of equine exports, which reached a high of €269 million in 2007. This constituted 11% of total livestock exports.

In 2008 a total of 6,222 Irish Thoroughbreds with a value in excess of €216 million were exported to 42 countries worldwide. Great Britain is the most significant market accounting for two thirds of these horses with other significant levels of export to France, Germany, Turkey, Greece, Italy, Spain and the United States in particular.

Table 4.4.1 : Value of Output of Equine and Other Livestock : 2000 - 2008 – € Million									
	2000	2001	2002	2003	2004	2005	2006	2007	2008
Cattle	1,382.10	1,260.30	1,179.00	1,244.00	1,346.10	1,413.20	1,501.70	1,502.70	1,668.00
Pigs	297.30	345.40	300.90	283.10	297.5	292	320.8	293.3	333.8
Sheep	203.40	284.30	202.10	193.20	200.4	191.8	190.5	182.2	171.4
Horses	164.3	146.5	200.7	213.7	217.6	234	263.4	269.3	216.8
Poultry	124.00	137.40	134.90	137.20	151.2	144	140.9	151.8	151.4
Total Livestock	2,171.20	2,173.90	2,017.60	2,071.20	2,212.80	2,274.90	2,417.30	2,399.40	2,541.40

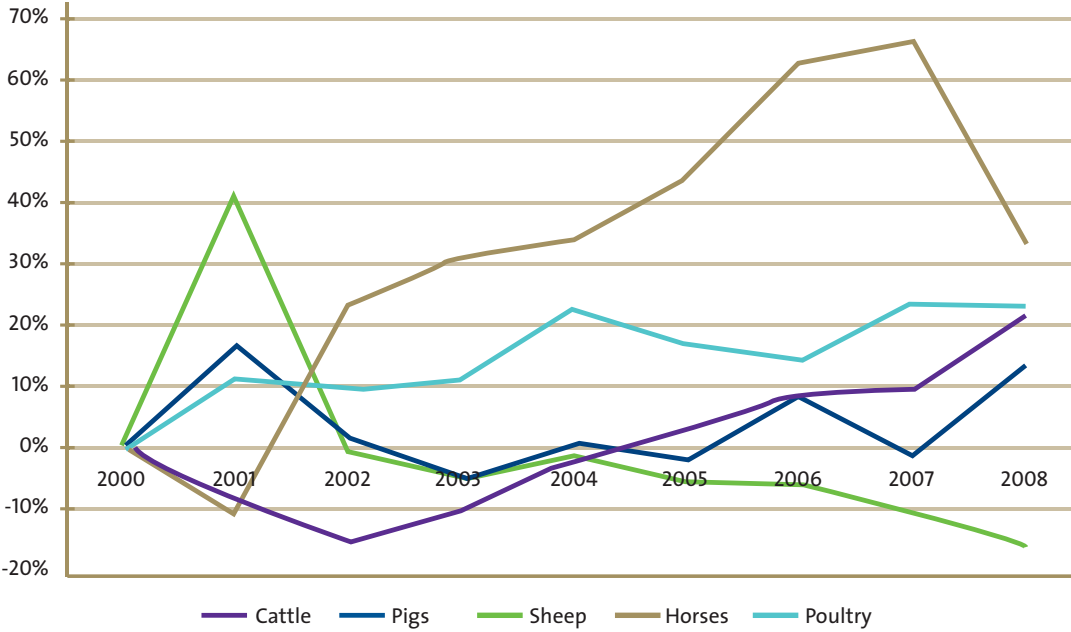
Source: CSO data on Output, Inputs and Income in Agriculture, 2004-2008

- The CSO data include the following:
- Public selling points.
 - Sales supplied by public selling points (for example Goffs).
 - CSO survey of stud farms.
 - Earnings from nomination and boarding fees.
 - Non-public sales (calculated by CSO).

The data in Table 4.4.1, graphically illustrated in Figure 4.4.1 below, show that equine exports have been growing as a percentage of total livestock exports, whereas some other livestock export have experienced stagnation or rapid decline.

The output of horses increased by 64% from 2000 - 2007 (the peak of production). This equated to 11% of total livestock output and a rate of increase much higher than other livestock areas. Racing unlike other livestock is unique in that the ratio of staff per animal is very high and the value of the individual stock is also significantly higher.

Figure 4.4.1 : 2000 as a base, % increase/decrease in livestock by sector



Bloodstock sales at public auction in Ireland were €99.5 million in 2008. A further estimated €65 million worth of Irish bloodstock was sold at public auctions in Britain and France. A survey of the horses sold at public auction revealed that €57,207,780 or 57% of the sales revenue was of domestic origin. The CSO has included public sales of foreign origin in its exports figure.

4.5 Economic Contribution of the Stallion Sector

Table 4.5.1 below shows the percentage break down of stallion fees between domestic and foreign sources. The total stallion fee of €188 million was calculated based on a survey by the ITBA and industry experts. These data do not include earnings by Irish stallions which are moved to the Southern Hemisphere during the Irish off-season.

Table 4.5.1 : Value of stallions fees, domestic and foreign sources 2008				
Total Stallion fees (€)	% domestic	% foreign	Total Domestic (€)	Total Foreign (€)
188,725,000	66.87%	33.13%	124,181,050	64,543,950

Source: ITBA Survey, Weatherbys Ireland





5. Impact of Racing

5 Regional and Social Impact of Racing

This section briefly presents some case studies on the social impact of the industry on rural communities, and also looks at the contribution of some of the larger festivals.

5.1 Festivals

Galway Festival

The Galway festival is the fourth largest horse racing festival in the world. It contributes very significant revenue to the local economy each year by attracting approximately 200,000 visitors over the course of its seven-day duration. It is variously estimated that this year’s festival injected €70 million into the local economy.

Punchestown Festival

The Punchestown Festival had a record attendance of 106,000 in 2008. Estimates of the value to the Kildare economy vary but we believe that it could amount to some €43 million.

Listowel Festival

Although no formal studies have been carried out on the economic value of the Listowel festival to the local economy, it is highly recognized as a major contributor to the North Kerry economy. It is now the joint longest racing festival in Ireland with Galway, at 7 days in duration. It is second only to Galway in attendances.

Killarney Festival

Killarney this year (2009) added a 4 day festival in August to the traditional July festival. The new August festival had over €1 million in prize money, and the total attendance over the 11 days racing was 50,000 approx. Each of the 78 races is sponsored, attesting to the popularity and esteem in which Killarney races are held.

5.2 Ownership

Table 5.2.1 presents the breakdown of race horse ownership.

Table 5.2.1: Racehorse Ownership 2000 – 2008

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Single	3,727	3,965	4,174	4,360	4,617	4,980	5,207	5,588	5,641
Syndicates	683	794	905	1,061	1,173	1,333	1,451	1,493	1,429
Clubs	44	43	36	47	43	46	48	39	34
Companies	22	29	22	25	29	30	30	44	53
Total	4,476	4,831	5,137	5,493	5,862	6,389	6,736	7,164	7,157

Source : HRI Factbook 2004 & 2008

The number of individuals involved in race horse ownership is however far greater than the data presented in Table 5.2.1 above. Our research indicates that, on average, a racing syndicate involves 8 people and a racing club involves 40. Ownership of point to point horses has been calculated as 550 people. A large proportion of point to point owners are not registered so this figure may, be conservative. We calculated that 19,036 individuals were involved in race horse ownership in 2008. (Companies have been included as a single unit of ownership).

5.3 Prize Money

The total prize money pool on offer in Ireland was €60.4 million in 2008. Of this, €54.5 million was won by Irish trained horses. Irish trained horses racing abroad won double the amount won by foreign trained horses in Ireland; this is outlined in Table 5.3.1 below.

Table 5.3.1: Prize money won by Irish trained horses racing abroad Prize money won by foreign trained horses racing in Ireland 2008	
	€
Prize money won by Irish trained horses racing abroad	11,514,340
Prize money won by foreign trained horses racing in Ireland	5,824,045
Difference	5,690,295
Source : HRI Factbook 2008	

5.4 Comparison with State Funded Industry

It is instructive to compare the Horse and Greyhound Racing Fund with Government support for other economic activities. The voted Government spend for Agriculture in 2008 was €1.9 billion. Bloodstock has been estimated to account for 4.4% of total agriculture, so on a pro- rata basis the support for bloodstock would be €84 million, as compared to the actual fund in 2008 of €61 million.

Funding for the forestry elements of the Rural development Plan 2000- 2006 totalled €688 million or €98 million per annum. With forestry employment estimated at 4,250 full time workers as well as 15,000 seasonal workers (source agri- info.eu), it can be seen this support exceeds that on a pro rata employment basis for the bloodstock industry.

There are perhaps other comparisons that could be made but in summary there is a strong case that the government’s support for the bloodstock industry is not excessive when compared to other sectors.



5.5 Clustering

One of the most positive aspects of the industry is its regional and rural spread, providing significant employment and economic activity in areas where otherwise jobs would be hard to find. There are a small number of major operations which employ hundreds of people, and hundreds of other smaller operations spread throughout the country.

The Curragh in County Kildare is recognised as the centre of racing excellence in Ireland. Co Kildare is home to 11% of Irish breeders and 23% of Irish horse trainers. The famous Punchestown festival generates circa €43 million in economic impact, and close to 2000 part time jobs.

Another centre of excellence is Co. Tipperary home to Coolmore Stud and Ballydoyle. Together this is the most famous and important stud farm and training centre in the world.

It is estimated that total employment in excess of 1,000 jobs in South Tipperary depends on the racing and breeding industries.

There are numerous other areas throughout Ireland in which the industry is a major employer.

For example four rural communities that are deeply involved in the equine industry are Bagenalstown in Co. Carlow, Enniscorthy in Co. Wexford, Navan in Co. Meath and Fermoy in County Cork. A brief study of the impact of the equine industry on these communities is presented below. The thriving breeding, racing and support services in these areas are further proof of the reliance of rural communities on the industry to provide employment and business opportunities.

Bagenalstown, Co. Carlow

Employment

- The feed company Red Mills employs 140 people.
- Twelve horse trainers employ a total of 177 people.
- There are 9 stud farms, 3 of which stand stallions. These farms employ a total of 28 people.
- There are 6 pre training yards employing a total of 21 people.
- Local veterinary surgeons employ 12 people.
- Three transport companies employ a total of 12 people.

These main employers offer employment to 390 people and that figure is increased to 428 full time staff when the smaller industries such as Goresbridge horse sales, Kilfera Nutrition, Porter’s saddlery, Claire Goodwillie Design, Behan gallops and racing surface providers and the therapy center all located in close proximity to Bagenalstown are included. Gowran Park racecourse nearby also offers part time/casual employment to 50 people on its race days.



The members of the BB Horse Racing Club celebrate with trainer Jessica Harrington after Mosstown’s win at the Galway Racing Festival.

The second example is Enniscorthy in Co. Wexford

Enniscorthy, Co Wexford

Employment

- Gain Horse Feed company employs 101 people at its Enniscorthy factory.
- There are 17 horse trainers in the Enniscorthy area, employing a total of 109 people.
- There are 12 stud farms employing 37 people.
- Veterinary surgeons in the area employ 12 people.

Between these businesses 259 people are employed directly and it is through these that smaller industries have been given the opportunity to develop. Enniscorthy also has a saddlery shop, a gallops and arenas assembler and a horse transport company. Bree point to point nearby offers part time employment and Enniscorthy VEC now run a horse care and stable management course. This reflects the importance of the industry in the community.

The third example is Navan in Co. Meath

Navan, Co Meath

Employment

- There are 27 horse trainers employing a total of 206 people.
- There are 31 stud farms employing a total of 79 people.
- There are 4 pre training yards employing a total of 15 people.
- There are three local veterinary surgeons employing a total of 11 people.
- There are 3 transport companies employing a total of 13 people.

There are 324 employed in the above industries and it is estimated that there are another 247 employed in other related industries which include bloodstock agents, equine nutrition, equine therapy, fence building, riding surfaces, feed supplements, sales company, livery, racecourses, riding equipment and stabling and flooring.

The fourth example is Fermoy in County Cork.

Fermoy, Co Cork

Employment

- There are 7 horse trainers employing 48 people.
- There are 11 stud farms employing 83 people.
- There are 3 pre-training yards employing 16 people.
- There are three local veterinary surgeons employing 9 people.
- There are 2 transport companies employing 6 people.

There are a total of 162 people directly employed in the Industry in the Fermoy area. There are also a number of auxiliary industries such as the local point to point which offer part time employment.

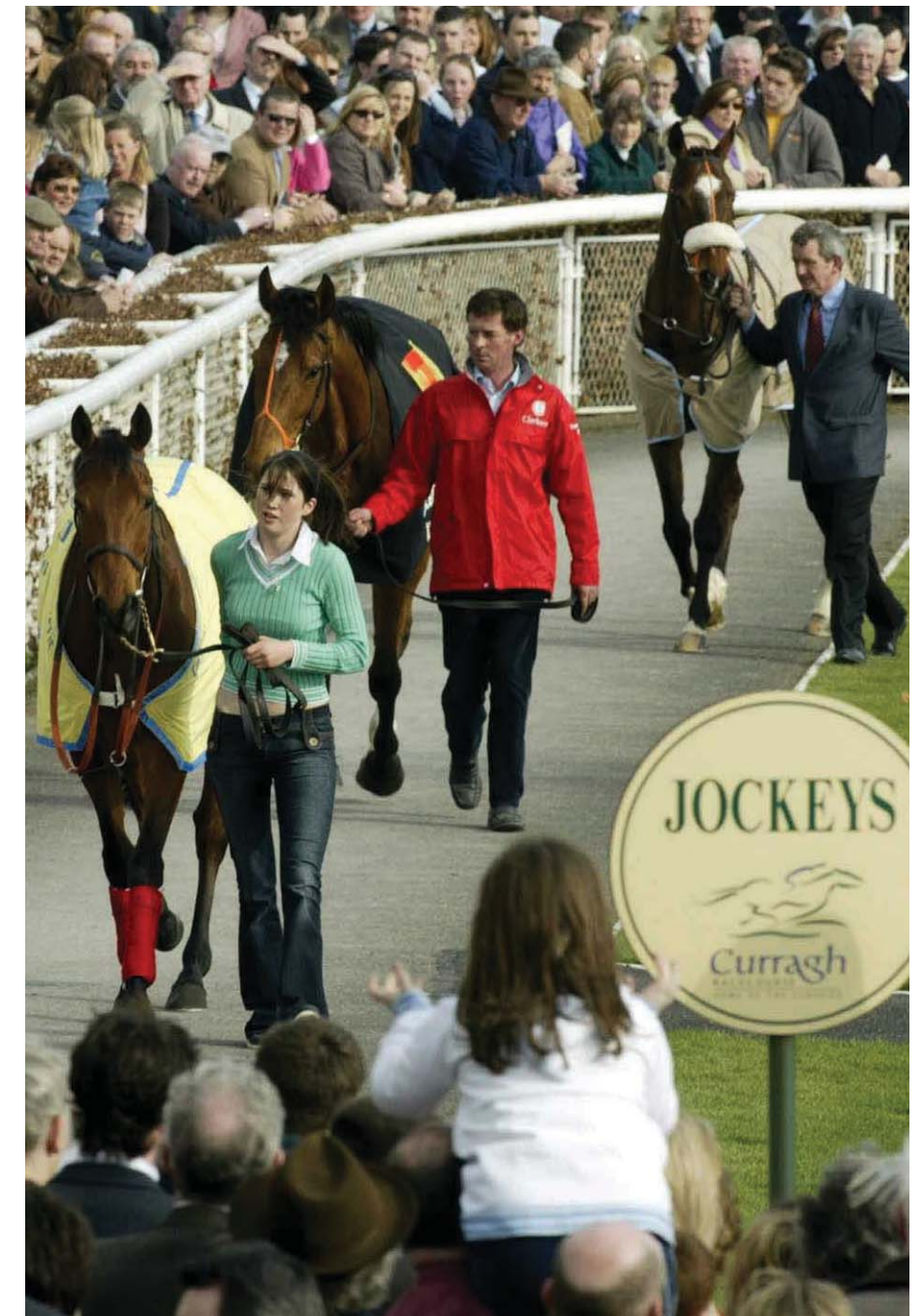
These are just four of hundreds of examples of rural areas that have developed through the growth of the horse racing and breeding industry in Ireland. Without these industries there would be a much higher level of unemployment and the new businesses that have entered and grown in these areas would never have been given the opportunity.

5.6 Recent Success

In 2008, Irish horses won 29 of the 44 Group 1 flat races in Ireland and the UK. At the Cheltenham Festival, 9 of the 10 Grade 1 winners were bred in Ireland. The Epsom Derby winner was bred in Ireland. An Irish trainer, Aidan O'Brien, became the champion trainer in both the UK and Ireland for the second consecutive year and recorded 23 Group 1 wins worldwide. In 7 of the 9 years up to 2008, the flat jockeys' title in the UK has been won by an Irish man.

This year, 2009, saw further remarkable successes for Irish bred and trained horses. They achieved a record number of wins at the Cheltenham Festival. Irish bred and trained horses took the first five places in the Epsom Derby. The high point of the year came when Sea the Stars won the Prix de l'Arc de Triomphe in Paris, a victory that entitles this Irish bred and trained horse to be considered as the greatest thoroughbred horse of all time after a series of 6 spectacular victories in the world's most famous races. This colt, bred at the Irish National Stud and trained by John Oxx on the Curragh, is a perfect example of the excellence and success of the Irish industry.

Ireland's dominance in the industry is reflected in the involvement of Irish people on breeding and racing farms and in ancillary services throughout the world. Irish racing and breeding managers, veterinarians, farriers and other professionals are at the forefront of the industry on every continent, applying their skills and expertise.





Cheltenham Gold Cup winner Denman who was bred in Fermoy, Co. Cork.

Summary

The value added to the Irish economy by the thoroughbred equine industry is estimated to have been in excess €1 billion in 2008.

Gross Value of Industry to the economy 2008 (€)	
Training fees 2008 ‡	289,810,761
Exports *	216,000,000
Festivals *	260,600,000
Irish coverings ‡	124,181,050
Irish domestic public sales	57,207,780
Stock keep fees	225,300,240
Total	1,173,099,831
Source : Calculations based on ITBA surveys ‡, ITBA calculation based on HRI data and confidential survey of retail bookmakers †, CSO data *	

The total number employed by the industry is 22,084, as set out in the table below. Appendix B, explains how various section of the total were calculated where official figures do not exist.

Sector	Sub Sector	Total Per Sector	Total
Breeding	Stallions, Broodmares, Sales Prep, etc	6,107	6,107
Trainers	Licensed Trainers	784	784
Jockeys	Flat	65	619
	National Hunt	136	
	Apprentice	60	
	Qualified Riders	358	
Racing and racing support services	Stable Staff	2,659	3,920
	Point-to-Point training yards	492	
	Pre-Training	215	
	Breaking Yards / Breeze ups	172	
	Administration support staff	378	
Racecourse Employment	General (incl. catering and security)	996	996
Betting	Registered On Course Bookmakers	185	6,998
	On Course Bookmakers Clerks	299	
	Total Bookmaker off course	6,200	
	Tote	314	
Educational Institutes	Third Level	77	151
	RACE	45	
	FETAC Courses	24	
	Post Leaving Cert Courses	5	
Other	Farrier	140	2,509
	Feed Producers	158	
	Horse Racing Ireland	101	
	Transport	146	
	Turf Club	104	
	Auxiliary Services	1,860	
Total Employment			22,084



Appendix A
Sources of Information

Appendix B
Employment Calculations

Appendices

Appendix A: <i>Sources of Information</i>
Central Statistics Office (CSO)
Horse Racing Ireland (HRI)
Goffs Bloodstock Sales
Weatherbys Ireland
Irish Thoroughbred Breeders Association, Confidential Surveys of Registered Breeders
Racecourses
Irish Stable Staff Association
Third Level Educational Institutes

Explaining the calculation of employment for qualified riders

The number of jockeys is made up of Flat Jockeys (65), N.H Jockeys (136), Apprentices (60) and Qualified Riders (609). Our research indicates that there are 117 full time and 482 part time qualified riders. The part time qualified riders work in the industry at point to points, riding out horses in yards, schooling etc, and work approx 20-25 hours per week. Based on this we have concluded that 1PT = 0.5FT. Thus 482 PT equates to 241 FT.

Explaining the calculation of employees in the breeding sector

People who derive a substantial proportion of their income from the breeding industry, dealing with stallions, broodmares, sales preparation, boarding etc, are included. Based on a confidential survey of a sample of 264 breeding operations, we calculated an average number of employees per mare or stallion, excluding the top 5% of operators, as the scale of their operations would tend to distort the picture. We calculate that in the smaller operations with 1-2 mares or stallions, there is approximately 1 fulltime employee for every 3.5 operations. Applying this logic to the distribution of mares or stallions per breeder as published by Weatherbys Ireland, we calculate there are 5294 employees. To this figure we have added the exact figures we have received from two very large breeding operations to get a total of 6107. It has not been possible to estimate employment figures for persons who work only on stud farms or only on broodmare farms, as the two are too tightly integrated and there would be a danger of double counting people who work in both sectors, given the seasonal nature of the sectors. The overwhelming majority of breeding operations surveyed offered these services (Brood Mares, Sales Preparation, Rest & Recuperation, Breaking & Training and Stallions).

Table B.1: <i>Calculation of Employment figures for Breeding operations</i>			
No. Mares	No. Breeders	No. Employees	No. Employees
1-2	8218	0.285	2348
3-4	1198	1	1198
5-10	544	2	1088
11-20	117	4	468
21-30	20	6	120
31+	9	8	72
Large breeding operations			813
Total			6107
Source: ITBA Confidential Survey			

Derivation of Racecourse Employment figures

The 25 racecourses in the Republic of Ireland were categorized as follows:

Premier tracks:

Leopardstown*, Punchestown*, Curragh*, Listowel*, Galway

Category 1:

Cork*, Dundalk, Fairyhouse*, Gowran Park*, Kilbeggan, Limerick*, Naas*, Navan*, Thurles*, Tipperary*

Category 2:

Bellewstown*, Ballinrobe*, Clonmel, Killarney, Laytown, Roscommon*, Sligo, Tralee, Tramore, Wexford

A sample was taken of each of the above three categories.

Racecourses were questioned as to the number of full time, part time and casual staff employed. The survey findings are based on 15 responses. These 15 racecourses include four premier tracks, eight category one and three category two racecourses. These different categories are then scaled upwards to 5, 10 and 10 respectively to give us a full time, part time and casual worker figure for each different category and also for the total of the 25 racecourses in the Republic of Ireland combined. The findings of the survey are presented in the table below. Based on the responses from the race courses, we have concluded that one part time employee equates to half a full time employee. We have also formulated a method for converting casual employees to full time equivalents. Based on responses from the race courses, 760 casual employees have been classed as half of a full time employee, 913 have been classed as a quarter of a full time employee and 670 have been classed as one tenth of a full time employee.

Table B.2: Employment Racecourses				
Full time	251			251
Part Time	140			70
Casual	2343	760	.5	380
		913	.25	228
		670	.1	67
Total				996
Source: ITBA Survey of Racecourses				



Auxiliary Services

Auxiliary services account for an estimated employment figure of 1860 persons. The nature of these services illustrates just how far reaching the horse racing industry spreads, especially into rural Ireland.

These services include

- Bedding
- Broadcasters and commentators
- Equine dentistry
- Equine nutrition
- Equine therapy
- Fencing and fence builders
- Gallops and riding services
- Insurance
- Jockey agents
- News agencies and television
- Graphic designers
- Printers
- Media and publicity executives
- Pedigree analysis and research
- Silk manufacturers
- Racing authorities
- Railings and running rails
- Saddlery, stable and yard equipment
- Security and surveillance
- Sponsors' services
- Starting stalls
- Trophies, memorabilia and gifts
- Weighing platforms.

Given the nature and rural dimension of the industry, a contraction would result in unemployment in many areas in which replacement employment would be unavailable or very hard to find.

Source of Betting Figures

The data for registered on course bookmakers were obtained directly from the HRI website www.hri.ie. The employment figure of 500 for on course bookmakers' clerks is a preliminary ITBA estimate. Total bookmaker off course employment was obtained from the Irish Bookmakers' Association. They reported a total employment figure for 750 of their members, including many of the branch bookmakers. Then they averaged this out and multiplied it by the total number of bookmakers in Ireland (1250), to reach an estimate of 6200. Tote Ireland provided the specific figures of 19 full-time and 614 part-time employees, which corresponds to a total employment figure of 633 persons.

Bookmakers Assistants

Data obtained from AIR (Association of Irish Racecourses) provided the following estimate for Bookmakers Assistants:

- 440 Bookmakers Assistants
- 66 of these are also bookmakers

Therefore 374 Bookmakers assistants, 60% of these are employed full time and the rest are part time. Using the assumption that 1 PT = 0.5 FT we get:

$$374 \times 60\% + (374 \times 40\%) / 2 = 224 + 75 = 299$$

Point to Point Training Fees

Information gathered from Irish point to point services provided the following:

- 4,700 certificates (1 certificate per horse) obtained in 2008
- 1,222 are excluded (to avoid overestimation and double counting) from the 4,700 for the following reasons
 - 634 unraced
 - 588 ran on the race track
- Average cost of training €200
- Average number of weeks in training 30

Table C.1: <i>Point to Point expenditure 2008</i>			
No. horses in Training	Training Fees per week (€)	No. weeks in training	Total
Full time	251		
251			
3478	200	30	20,868,000
Source: Irish Point to Point Services, ITBA estimates and Calculations, Turf Club			

Gallops fees

Based on information obtained from the HRI website, we calculate that the 1,400 horses using the gallops at the Curragh, at a cost of €1,215 per year produce €1,701,000. Use of the ‘Old Vic’ gallops, schooling on racetracks and private gallops such as Duninga in Co. Kilkenny has been calculated to account for expenditure of €3 million. The total for Gallops fees amounts to €4.7 million.

Race Entry Fees

HRI Fact book 2008.

Transport

Average transport has been calculated to be €800 per racing year. Applying this figure to 12,119 horses in training, we arrive at a total of €9,695,200.

Insurance

ITBA Survey of Insurance Agencies.

Veterinary/Farrier Fees

Average veterinary/ farrier bill of €1,200 per racing year per horse. Applied to 12,119 horses in training in 2008, this gives a total €14,542,800.

Value of the 7 day Galway racing festival to local economy (€60 million) based on study by the Marketing Development Programme of the Michael Smurfit Graduate School of Business at UCD, 2006.

Value of the 5 day Punchestown racing Festival to the local economies has been put at €43 million. (Department of Arts, Sport and Tourism FOURTH ANNUAL REPORT 2006).

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President Mary McAleese, September 2009.