



Response to COVID-19 for Canada's Active Equines

Summary Report



EQUESTRIAN CANADA ÉQUESTRE

WILTON
CONSULTING GROUP

Executive Summary

In Canada, equines are commonly kept as livestock for breeding, sales, riding lessons, therapy sessions, sport, and other uses. They are a key part of agricultural and rural economies, being significant consumers of commodities like hay, grain, and bedding, and of veterinarian and farrier services. The 2016 Census of Agriculture counted 10,507 equine farms in Canada, though this is likely an underestimate, and the number may be as high as 26,490. Equine data may be inaccurate, given the use of these animals in a variety of contexts.

In the wake of COVID-19, most Canadian equine farms and facilities have suspended lessons, rides, and other operations in line with public health directives. Most agricultural activities are able to continue as essential services, but equine activities have been curtailed to reduce the spread of COVID-19. Many of these farms rely on these activities as a key component of their businesses, and without them, their income is significantly reduced.

However, equines require ongoing care and equine farm owners must continue to cover these expenses. Equestrian Canada conducted a survey of its members on COVID-19's impact on their operations and finances, finding that 74% of respondents earned at least one third of their income from riding lessons, therapy sessions, and other activities. Many of these farms have low reserve finances and supplies and may not qualify for other COVID-19 related income assistance programs due to the nature of their businesses.

Equestrian Canada has called for Agriculture and Agri-Food Canada (AAFC) to establish a relief fund for Canadian equine farms facing unexpected income losses due to COVID-19. Due to the nature of the equine industry, it is contested whether the industry falls under AAFC's jurisdiction.

This report recommends that AAFC accepts the position that *active equines* are a viable component of Canada's agricultural system and that the health and welfare of *active equines* fall within AAFC's mandate at this time.

An analysis of the recent Equestrian Canada industry survey, in combination with data from the 2016 Census of Agriculture, demonstrates that of the 26,490 equine businesses in Canada, we project that approximately 48,793 active equines among 8,871 businesses are at risk of severe animal welfare issues due to the economic impact of COVID-19. The average monthly cost of care per equine is \$352.33 based on the survey results.

Based on the projected number of equine farms in Canada, the proportions of survey respondents at risk, and the median cost of care for active equines, we estimate the cost to support at-risk active equines in Canada for one month to be \$17.2 million. There is an urgent need to provide access to emergency support programs for the owners of active equine farms across the country to support on-going animal care and maintenance during this COVID-19 pandemic.

Table of Contents

Executive Summary ii

Introduction 1

Context 2

Equestrian Canada Survey Results 3

Policy Review..... 7

 Federal Legislation..... 7

 Property Taxation..... 7

 Land Use Planning Context..... 8

 Equines Within the Agricultural Landscape 9

Recommendations 10

 Data Resources 10

 Integrating the Equine Industry into Agricultural Sector Conversations 11

Conclusion 11

Introduction

Equestrian Canada is calling for Agriculture and Agri-Food Canada (AAFC) to establish a national emergency relief fund to subsidize costs related to the health and welfare of commercially employed equines (“*active equines*”) in Canada in the wake of the COVID-19 pandemic. Due to uncertainty about the place of equines in agriculture, AAFC has requested more information on the role of equines in the national agricultural sector.

To better inform this call, Wilton Consulting Group (WCG) was asked to assess data from Equestrian Canada’s recent industry survey to provide estimates of the number of employed equines and equine operations facing animal welfare crises due to lost income from suspended equine activities. WCG was also asked to estimate the funding needed to provide relief for these commercially employed equines.

This report includes:

- An outline of the current context as it relates to the Canadian equine industry.
- Working definitions of active equines and active equine facilities in the Canadian equine industry.
- Selected survey results and analysis.
- A review of policies related to the equine industry as a part of the agricultural sector.
- Recommendations for actions to provide care to commercially employed equines in Canada.

Context

Temporary funding programs have been established for economic sectors across Canada in response to the COVID-19 pandemic. Most agricultural sectors continue operations as essential services, but equine operations including education and therapeutic services have no choice but to suspend activity. Despite a loss of income from suspended activities, these farms and facilities must still bear the cost of equine care which includes the purchase of feed, bedding, veterinary care, and farrier services. Without financial support, many equines will face animal health and welfare crises.

Horses in Canada are primarily employed as active components of commercial businesses. As other livestock in Canada are kept primarily for food production (e.g., poultry, dairy and beef cattle, and hogs), there is often the perception that equines are recreational or companion animals, rather than livestock. This lack of clarity on whether equines are agricultural livestock can limit equine business participation in agri-business support programs. In an effort to provide additional clarity regarding the meaning of actively employed equines and how these activities align with other livestock sectors in Canada, the following definitions were developed in collaboration with Equestrian Canada staff.

An *active equine facility* is a commercial agricultural business that uses farmland, purpose-built structures, and *active equines* to generate revenue. These facilities offer a mix of services including breeding, raising, training, boarding, and maintaining the health and welfare of *active equines*. These activities support regional economic development and awareness of local equine activities, including sport and competition, youth and adult development and wellness, therapeutic use, and agri-tourism.

Active equine facility
A commercial agricultural business that uses farmland, purpose-built structures, and active equines to generate revenue.

An *active equine* is livestock specifically raised and cared for in an *active equine facility*. The specific use of these animals may include pedigree development, sport and competition, youth and adult development and wellness, physical exercise, therapeutic use, and local agri-tourism. Active equines are key economic drivers that directly contribute to revenue-generating activities and provide benefits to businesses and communities. Active equines demand daily care that requires the services of animal care professionals (including veterinarians and farriers) and regular agricultural inputs (including hay, bedding, and grains).

Active equine
Livestock specifically raised and cared for in an active equine facility.

An *active equine* is raised to be a valuable and useable asset throughout the course of its natural life. Active equines are not kept or raised for use in the food processing or pharmaceutical industry.

Equestrian Canada Survey Results

In April, Equestrian Canada conducted a survey of their members to gain information on the financial state of their operations impacted by COVID-19. A total of 660 equestrian farms completed the survey.

Assessing the impact of COVID-19 on the equine industry requires an estimated number of equines and equine farms in Canada. The 2016 Census of Agriculture counted 10,507 equine farms in Canada,¹ along with 39,164 farms that had at least one equine and 291,561 equines overall.²

There are an estimated **26,490** equine farms in Canada.

Equestrian Canada’s survey asked whether respondents had a farm business registration number, and only 40% of farms with employed equines reported having one. This suggests that census data may be undercounting equine farms by a factor of 2.5 (i.e., for every census equine farm, there are 1.5 uncounted equine farms) and that there may actually be 26,490 equine farms in Canada. Previously, an analysis of data from Ontario estimated that this factor could be as high as 3.9,^{3,4} creating a potentially wide margin of error in any economic assessment. This underscores the need for a more thorough quantitative understanding of the equine industry to make effective future plans.

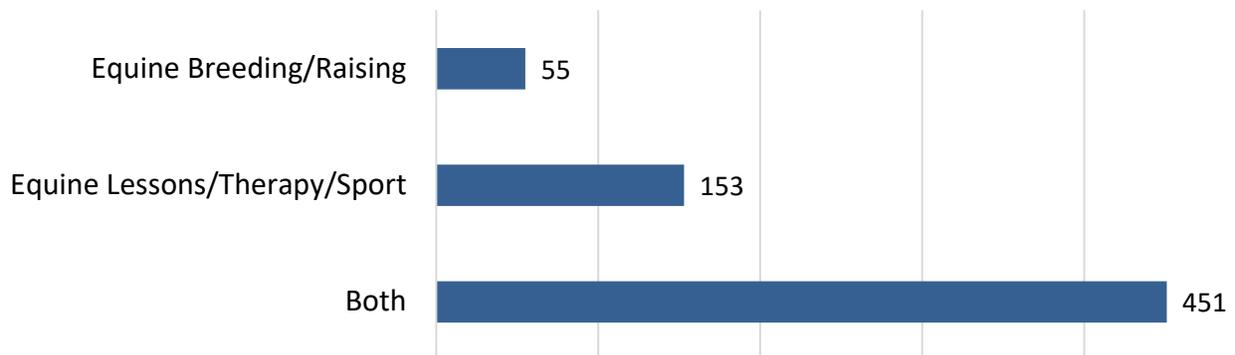


Figure 1: Use of on-farm equines reported by survey respondents.

¹ Statistics Canada. (2016). [Table 32-10-0403-01: Farms classified by farm type](https://doi.org/10.25318/3210040301-eng). Government of Canada. DOI: <https://doi.org/10.25318/3210040301-eng>

² Statistics Canada. (2016). [Table 32-10-0427-01: Other livestock on census day](https://doi.org/10.25318/3210042701-eng). Government of Canada. DOI: <https://doi.org/10.25318/3210042701-eng>

³ Wilton, B., & Caldwell, W. (2009). *Rural Ontario’s “hidden” sector: The economic important of the horse industry*. University of Guelph & Government of Ontario. Retrieved from <http://www.waynecaldwell.ca/Projects/horsefarms/Final%20Report%20-%202009.pdf>

⁴ Wright, B., & Cation, J. (1996). *Ontario Horse Industry Report*. Ontario Ministry of Agriculture, Food, and Rural Affairs.

In addition, participants were asked about their on-farm activities (Figure 1). The survey asked whether farms directly bred or raised equines, and whether they used equines for riding lessons, therapy sessions, sport, or other equine activities. While 8% reported solely breeding or raising equines and 23% reported other equine activities only, there was substantial overlap between the categories. Well over half of participants (68%) engaged in both of these activities. Many farms rely on a host of equine activities to maintain their income, with 74% reporting at least one third of their income coming from lessons, therapy, sport, or other equine activities.

74% of survey respondents earned at least one third of their income from lessons, therapy, sport, or other equine activities.

Equine care requires ongoing expenses. These animals require hay, grain, and bedding daily and need veterinary and farrier care on a regular basis. As well, barns require heat and light to safely contain animals. While these expenses can vary from month to month, survey respondents were asked to estimate their monthly costs for these expenses. When only looking at respondents who had active equines on their farms, the median monthly cost for an employed equine was found to be \$352.33. Noting that electricity and heating may be considered outside the jurisdiction of AAFC (as provincial utilities), we also calculated the median cost of hay, grain, bedding, and veterinary/farrier services to be \$312.92 per active equine. With many equine farms losing major sources of income, owners will need to find other means to provide for the ongoing needs of their animals.

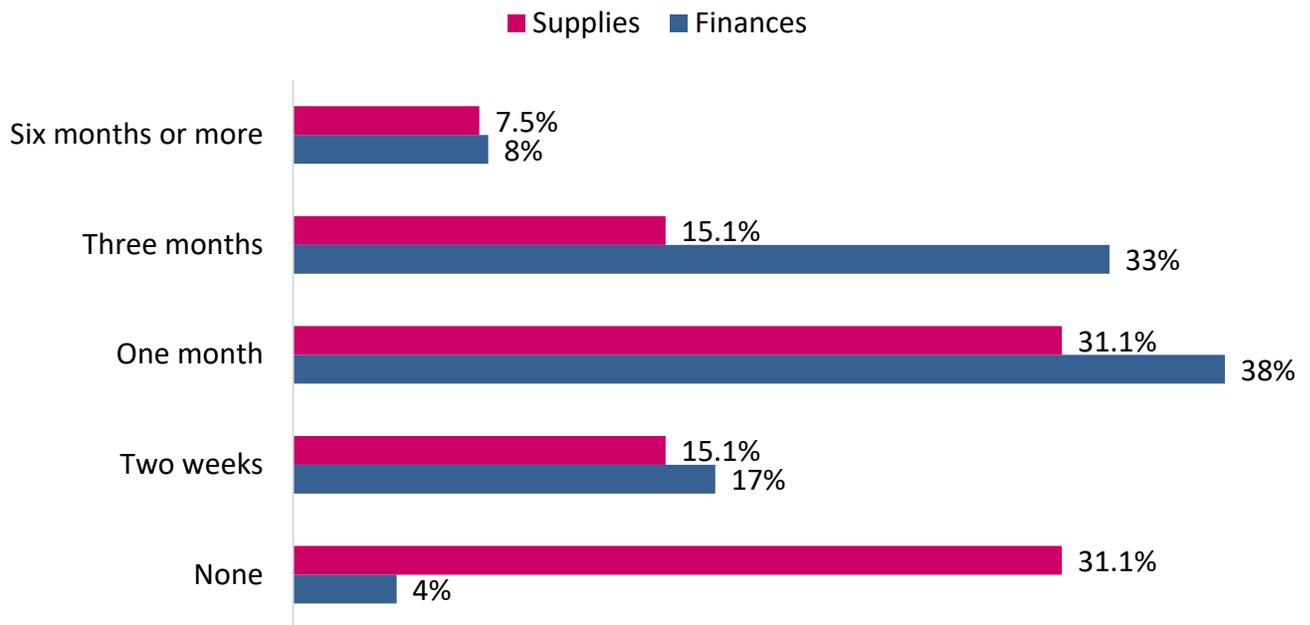


Figure 2: Survey respondents by available reserve finances and supplies.

The survey highlighted several results on reserve finances and supplies (such as hay and bedding) available for respondents (Figure 2). 77% of respondents reported having one month or less of reserve supplies, while 59% had one month or less of financial reserves. Roughly half (51%) reported one month or less of both of these reserves. It should be noted that at the time of writing, these results are already one month old, meaning that many of these farms will be experiencing welfare challenges soon if they are not already doing so.

Equestrian Canada's survey also asked about options for short-term income assistance. These included:

- The Government of Canada's Salary Supplement (Wage Subsidy)
- Employment Insurance (CERB)
- Provincial/Territorial support programs
- Farm Credit Canada programs
- Farm operating loans or lines of credit

Roughly 1 in 5 respondents confirmed that they qualified for short-term income assistance programs established so far (Figure 3). Comparing assistance options and reserve resources, 42% of respondents did not qualify for income assistance and had one month or less of both reserve finances and supplies.

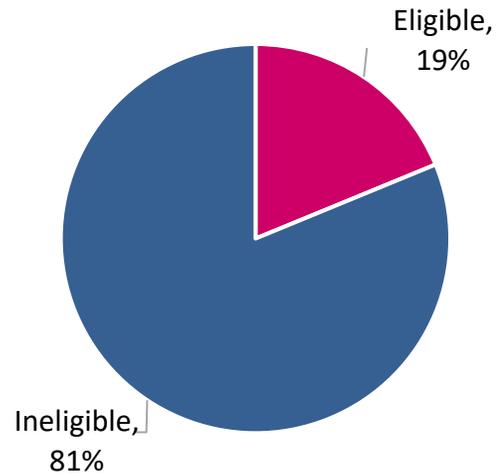


Figure 3: Survey respondents by reported eligibility for short-term income assistance.

Based on this and an estimate of 26,490 equine businesses in Canada, we project that approximately 48,793 active equines among 8,871 businesses are at risk of animal welfare issues due to the economic impact of COVID-19.

Together, these results suggest that many equine farms and facilities face a dire financial situation, and that little support is currently available to care for their equines in the aftermath of COVID-19. Without financial assistance to cover equine care expenses, health and welfare will be a concern for many animals, and businesses will need to make difficult decisions regarding their equines in the days shortly ahead.

Based on the projected number of equine farms in Canada, the proportions of survey respondents at risk, and the median cost of care for active equines, we estimate the cost to support at-risk active equines in Canada for one month to be \$17.2 million. If AAFC were to provide a fund that covered 75% of this cost, we project the total cost to AAFC to be \$12.9 million for one month of care.



Many equine farms and facilities face a dire financial situation, and little support is currently available to care for their equines in the aftermath of COVID-19.

Without financial assistance, health and welfare will be a concern for many animals, and businesses will need to make difficult decisions regarding their equines in the days ahead.

Policy Review

Equines are considered a part of the agricultural sector under several contexts. These include legal definitions of agriculture and livestock, economic connections and impacts, and sector management in jurisdictions abroad. The following is not an exhaustive list but includes a selection of definitions, policies, and analyses that are relevant to the current discussion of whether equines are a part of the agricultural sector.

Federal Legislation

Multiple definitions within federal legislation recognize livestock as a fundamental component of agricultural and recognize horses and equines as being livestock.

- [Feeds Act, 1985](#): “Livestock means **horses**, cattle, sheep, goats, swine, foxes, fish, mink, rabbits and poultry and includes such other creatures as may be designated by regulation as livestock for the purposes of this Act; (*animaux de ferme*)”⁵
- [Health of Animals Act](#): Livestock “means animals of the bovine, caprine, **equine**, ovine and porcine species; (*animaux de ferme*)”⁶
- [Income Tax Act, 1985](#): Farming “includes tillage of the soil, livestock raising or exhibiting, maintaining of horses for racing...”⁷
- Canada Revenue Agency includes the raising or exhibiting of livestock within its definition of “farming” as it relates to the [Income Tax Folio S4-F11-C1](#). Although livestock is not defined, the Income Tax Folio Index states: “livestock should be interpreted consistently with the equivalent term, **farm animals**, or *animaux de ferme*, in the French version of the Act...livestock are domestic animals...bred or kept on a farm for use and commercial profit. Common definitions refer to...**horses**, and similar animals, kept for domestic use but not as pets, especially on a farm or ranch...”⁸

Property Taxation

For property taxation, horse operations are classified as farmland in several provinces.

- **Ontario**: In the [Assessment Act, 1990](#), farmland includes land “If used for breeding, raising, boarding, maintaining, training, or selling horses OR if it is used to provide horse trail rides or horse riding lessons on the same parcel of land as other lands or buildings whose value has been determined.”⁹
- **Alberta**: Farming operations definition includes “The production of **horses**, cattle, bison, sheep, or other livestock.”¹⁰

⁵ Feeds Act, R.S.C., 1985, c. F-9.

⁶ Health of Animals Act, C.R.C., c.296.

⁷ R.S.C., 1985, c.1 (5th Supp.).

⁸ Income Tax Folio S4-F11-C1

⁹ Assessment Act, R.S.O. 1990, c. A.31 (Section 44.1(1) O.REG.282/98)

¹⁰ Municipal Government Act, s. 361 and Matters Relating to Assessment and Taxation Regulation, 2018, A.R. 203/2017, s.2(1)(e).

Land Use Planning Context

In several provincial planning policies, equines are directly recognized as a form of agriculture.

Province	Policy
Ontario	Provincial Policy Statement, 2020 : Agricultural uses “means the growing of crops, including nursery, biomass, and horticultural crops; raising of livestock ; raising of other animals for food, fur or fibre...” ¹¹
	Minimum Distance Separation regulations define livestock as “beef cattle, birds, dairy cattle... horses ...and other animals...” ¹²
	Guidelines on Permitted Uses in Prime Agricultural Areas clarify that the PPS definition of “agricultural use” includes horses. ¹³
Quebec	Act Respecting the Preservation of Agricultural Land and Agricultural Activities : Agriculture means “the cultivation of the soil and plants, leaving land uncropped or using it for forestry purposes, or the raising of livestock ...” ¹⁴
Alberta	The Agricultural Operation Practices Act includes horses in its definition of “livestock” to regulate manure storage. ¹⁵
British Columbia	Permitted uses in the Agricultural Land Reserve include “Raising livestock (cattle, bison, sheep, goats, hogs, horses),” ¹⁶ and Permitted Farm Uses in addition to Regular Farming includes “equestrian facilities.” ¹⁷
	Farm Practices Protection (Right to Farm) Act “Farm operations” include “growing, producing, raising or keeping animals or plants” and “using farm machinery, equipment, devices, materials and structures.” ¹⁸
	Code of Practice for Agricultural Environmental Management (Nutrient Management Regulations) : Agricultural operations include “work or recreational purposes, in the case of horses.” ¹⁹

¹¹ Ontario Provincial Policy Statement (2020) retrieved from: <https://files.ontario.ca/mmah-provincial-policy-statement-2020-accessible-final-en-2020-02-14.pdf>

¹² Ministry of Agriculture, Food, and Rural Affairs (2016). The Minimum Distance Separation (MDS) Document. Retrieved from: <http://www.omafra.gov.on.ca/english/nm/buildev/MDSAODA.pdf>

¹³ Ministry of Agriculture, Food, and Rural Affairs (2016). Guidelines on Permitted Uses in Ontario’s Prime Agricultural Areas. Retrieved from: <http://www.omafra.gov.on.ca/english/landuse/facts/permitteduseguide.pdf>

¹⁴ P-41.1 (1996, c. 26, s. 1.) Act Respecting the Preservation of Agricultural Land and Agricultural Activities. Retrieved from: <http://legisquebec.gouv.qc.ca/en/ShowDoc/cs/P-41.1>

¹⁵ Agricultural Operation Practices Act. RSA 2000 Chapter A-7. Retrieved from: <https://www.qp.alberta.ca/documents/Acts/A07.pdf>

¹⁶ Provincial Agricultural Land Commission. Permitted Uses in the ALR. Retrieved from: <https://www.alc.gov.bc.ca/alc/content/alr-maps/living-in-the-alr/permitted-uses-in-the-alr>

¹⁷ Ibid.

¹⁸ Farm Practices Protection (Right to Farm) Act [RSBC 1996] Chapter 131. Retrieved from: http://www.bclaws.ca/civix/document/id/complete/statreg/96131_01

¹⁹ B.C. Reg.8/2019. Code of Practice for Agricultural Environmental Management. Retrieved from: http://www.bclaws.ca/civix/document/id/complete/statreg/8_2019

Equines Within the Agricultural Landscape

- The equine industry has direct links to other agricultural industries:
 - Internal analysis^{20,21} using 2016 Census of Agriculture data projects that Canadian equine operations purchase between **\$910 million** and **\$1.3 billion** in hay, grain, and bedding each year.
 - The Horse Council of BC estimates that the province's horse industry spends **\$125 million** annually on feed and bedding.²²
- Equines require services of veterinarians just like livestock farmers: Internal analysis using 2016 Census of Agriculture data²³ projects that Canadian equine operations spend approximately **\$350 million** on veterinary and farrier services²⁴ each year.
- Equine businesses follow virtually all of the same government regulations as livestock farmers (e.g., animal welfare, transportation regulations).
- Equine businesses are part of the agricultural equipment economy.
- Like livestock farmers, equine business owners have animal insurance.
- Equine businesses worry about animal viral outbreaks, similar to livestock farmers.



Canada's equine industry purchases between **\$910 million** and **\$1.3 billion** in hay, grain, and bedding each year.

²⁰ Internal analysis was based on the total number of horse and ponies, by province. Source: Statistics Canada, Table: 32-10-0427-01 (formerly CANSIM 004-0224).

²¹ Monthly estimates for hay, grain, and bedding were based on a scan of retail providers.

²² Horse Council of BC; Harness Racing BC; Canadian Thoroughbred Horse Society. (2015). *BC's equine community: A large and growing business*. Canadian Thoroughbred Horse Society.

²³ Internal analysis was based on the total number of horse and ponies, by province. Source: Statistics Canada, Table: 32-10-0427-01 (formerly CANSIM 004-0224).

²⁴ Monthly estimates for veterinary and farrier services were based on a scan of retail providers.

Recommendations

As outlined above, equine activities are taxed as farm businesses, occur on agricultural land, and follow the same regulations as other livestock farmers. For the purposes of implementing a national emergency relief fund to subsidize the health and welfare of Canada's *active equines*, we recommend:

1. That AAFC accept the notion that *active equines*, as outlined above, are a viable component of Canada's agricultural system.
2. That the health and welfare of *active equines* fall within the scope of AAFC's mandate at this time.
3. That Equestrian Canada adopt the definitions of *active equines* and *active equine facilities* as working definitions to encourage a holistic assessment of the equine industry in the future.

Data Resources

In addition, we note that the current available data regarding the equine industry in Canada is limited and that this impedes effective discussion of equine-related issues. Therefore, we further recommend:

4. That Equestrian Canada work with other equine stakeholder groups to regularly gather data on the state of the equine industry, including:
 - The number of equines and active equines managed in Canada.
 - The number of equine facilities focused on breeding and/or raising equines.
 - The number of equine facilities using equines in sport and competition, youth and adult development and wellness, physical exercise, therapeutic uses, and local agri-tourism.
 - The number of equine facilities engaging in both of the two previous categories
 - Costs associated with horse maintenance, including hay, grain, bedding, and veterinary and farrier services.

Having this data available is crucial not only for effectively responding to events like the current global pandemic, but also to ensure a more comprehensive understanding of the Canadian horse herd, preparedness for animal disease outbreaks, involvement of the horse sector in relevant agri-environmental programs, and to enhance the economic contribution of the sector to rural Canada.

Integrating the Equine Industry into Agricultural Sector Conversations

There has been an ongoing disconnect between the equine industry and other components of the agricultural sector. Due to multiple factors, the place of equines in agriculture has been a source of debate, but it is vital that the equine industry form links within the broader agricultural sector. This will enable the equine industry to leverage connections in times of crisis and promote itself more effectively in times of relative prosperity. Therefore, we recommend:

5. That equine stakeholder groups currently involved in COVID-19-related advocacy maintain a channel of communication with AAFC and continue to discuss the place of active equines within the agricultural sector.
6. That Equestrian Canada seek clarity and consistency across the Provinces and Territories on how horse farms can access Farm Business Registration Numbers.
7. That Equestrian Canada seek clarity and consistency across the Provinces and Territories on how farm income from equine-related activities is defined.
8. That equine stakeholder groups currently involved in COVID-19-related advocacy look for opportunities for deeper connections with relevant agricultural industries (including forage, grain, and oilseed industries and other livestock groups) to increase recognition of the equine industry's contributions to the agricultural sector.

Conclusion

The equine industry makes significant contributions to Canada's agricultural and rural economies through its inputs and activities. In light of COVID-19, many industries and communities are asking for government assistance due to reduced budgets, increased costs, and uncertain futures. The equine industry faces these challenges as well and equine farm owners face challenges in accessing most government support programs currently being offered in response to COVID-19. Based on results from Equestrian Canada's survey, we estimate that 48,793 active equines from 8,871 active equine businesses may face health and welfare concerns due to a lack of financial resources. It is critical for the federal government to recognize the social and economic contributions of Canada's equine industry and offer support to ensure that it is able to recover in the months and years ahead.