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Current Status of the Equine Sector in the Central Baltic Region (Finland, Latvia and Sweden)

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INTERREG IV A
PROGRAMME
2007-2013**



LANDSCAPE HORTICULTURE AGRICULTURE

Reportseries

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Foreword

InnoEquine (*sustainable Equine industries promoting economically competitive and Innovative regions*) is an EU-funded project (Central Baltic Interreg IV A programme 2007–2013) being carried out in collaboration by MTT Agrifood Research in Finland (project manager), Helsinki University, the Swedish University of Agricultural Sciences (SLU) and Latvia University of Agriculture (LUA). In addition, central national equine organisations, stakeholders and equine entrepreneurs are involved in the project.

The overall aim of the project is to create a basis for cross-border networking between those involved in the equine sector and to promote the competitiveness of equine sector in the Central Baltic area. This aim is intended to be accomplished by developing the know-how, environmental awareness and health and safety knowledge of entrepreneurs and by innovative services and networking. The practical implementation of the project is taking place by means of five work packages. One of these work packages, which is the focus of the present report, has the goal of describing the current status of the equine sector in the Central Baltic programme area and provide information needed for the other work packages.



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Information about the status of the equine sector was gathered by each partner through literature reviews, round table discussions and interviews with equine organisations and stakeholders, and through visits to farms with equine business activities. SLU was responsible for coordination of this work package.

The information collected was intended to cover basic descriptions and characteristics of the equine sector, including statistics on number of horses, horse farms, employment, current structure and recent dynamics in the sector, mobility (e.g. trade, import, export and tourism) within the region, identification of gaps and other relevant information essential for the project.

This version of the report was written in collaboration by researcher at MTT Agrifood Research in Finland (project manager), Latvia University of Agriculture (LUA) and Swedish University of Agricultural Sciences (SLU). Each partner wrote the sections concerning their specific nation and SLU was responsible for coordinating the report.

We would like to thank all the participants within the equine sector in the three countries who participated in the focus groups, interviews and farm visits for contributing with most very valuable information.

Alnarp, Sweden, June 2013

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Summary

This report covers basic descriptions and characteristics of the equine sector, including statistics on number of horses, horse farms, employment, current structure and recent dynamics in the horse sector in Finland, Latvia and Sweden and also the mobility (e.g. trade, import, export and tourism) within the Central Baltic Region. The information was gathered through literature reviews, round table discussions and interviews with equine organisations and stakeholders, and through visits to farms with equine business activities in each of the three countries.

Horses in Finland, Latvia and Sweden

At the moment the horse population in Finland is growing steadily. In 2010 there were about 75 000 horses. Most of these are warm-blooded trotting horses, but riding horses are becoming increasingly popular as riding as a hobby increases in popularity. Approximately 35 000 people own at least one horse and co-ownership is becoming a common way of owning a horse with relatively small costs and responsibilities, especially among trotting sports. There are approximately 16 000 stables, of which over 3 000 are business orientated. These numbers are still only estimates, because Finland is lacking a comprehensive register of stables and stable enterprises.

Although statistical data on the number of horses, breeds, herds, stables *etc.* are being collected and are available in Latvia, there is still a lack of statistical data that characterise the sector in relation to employment, provide an idea of the financial results, and characterise horse uses for tourism or therapy purposes. For example, there are no data on the number of people working with horses. This is perhaps related to the perception of the sector as being located within the context of horse breeding. Statistical data show that the number of horses in Latvia in general has decreased, from 15 250 in 2005 to 11 476 in 2012, and the current trends indicate that it could decrease even more. The number of livestock has decreased correspondingly, from 9814 in 2005 to 5577 in 2012. More than 84% of all farms have 1 to 5 horses, and only a few farms have more than 100 horses.

The number of horses in Sweden decreased in the early 1920s from about 700 000 to about 70 000 in the 1970s. During the past 30 years the number of horses has increased tremendously, but the trend seems to be stagnated the last few years. Today there are approximately 362 700 horses and about 20% of all horses in Sweden are within business establishments. The number of horses per 1 000 habitants is 39 for the whole country and Sweden is now estimated to have the second highest density of horses per capita in Europe. There are approximately 77 800 establishments involving horses in Sweden. The equine businesses have on average 4.7 horses and provide full-time or

part-time work for a total of 25 000 people. About two-thirds of those working with horses are women.

Horse related legislation in Finland, Latvia and Sweden

Environmental legislation is one of the broadest judicial systems in Finland. It consists of a number of different laws and regulations, relating to waste disposal, water protection, environmental protection, land use and construction. After EU membership, environmental legislation in Finland was harmonised with EC (European Community) legislation, especially in the case of environmental protection and conservation. The main environmental legislation concerning the horse sector in Finland consists of following laws, directives and regulations: 1) Environmental protection law and regulation, 2) Waste law and regulation, 3) EU waste incineration directive, 4) By-product regulation, 5) Nitrate regulation, 6) Law concerning dead animals in remote areas, 7) The law on processing household water in remote areas, 8) Health protection law and regulation, 9) Fertilizer law, 10) Conservation law, 11) Land use and construction law and 12) Law about neighbourliness.

According to the requirements of the Ministry of Agriculture, the policy of the horse breeding sector in Latvia is based on: a) Horse breeding is performed according to the targets stated in the breeding programme, which are based on production of high quality animals, preservation and improvement of the genotype through purposeful use of the breeding stock and improvement of horse monitoring, b) The importance of the development of horses and equestrian sports within the framework of the common agricultural policy is emphasised in order to encourage development of the rural environment, and c) Horse breeding is compliant with welfare regulations. National and European Union aid for the development of the agricultural sector is allocated to horse breeding too. Most of it consists of aid for breeding measures in the equine sector. Currently there are no specific regulations in Latvia which define requirements for keeping horses. Horse breeding is not distinguished separately within the field of animal welfare in Latvia and therefore the main document is the Animal Protection Law. Its norms are general, while Cabinet Regulation No 959 'Welfare Requirements for the Keeping and Training of Sport, Work and Exhibition Animals and Use Thereof in Competitions, Work or Exhibitions' does not specify actions with horses and can easily be interpreted in different ways. There is no measurable evaluation system to assess fulfilment of the requirements in the Cabinet Regulations. The law stipulates the actions and activities which may be undertaken with an animal and those which are strictly forbidden and lists the institutions that should supervise compliance with the law and the welfare requirements. Latvia lacks the basis of normative documents that would specifically regulate personal safety in the horse breeding sector and in businesses related to horse use. Therefore the common normative basis has to be considered, the foundation of which is the 'Labour Protection Law'.

The foundation of Swedish environmental legislation is the Swedish Environmental Code. The purpose of the Swedish Environmental Code is to promote sustainable development which will assure a healthy and sound environment for present and future generations. The Code is a legislative framework based on a number of fundamental principles permeating international environmental protection and resource management. These include the "precautionary" principle, the "polluter pays" principle, the "product choice" principle and principles governing resource management, natural cycles and appropriate siting of industrial (and other) operations and remedial measures. The main environmental legislation in Sweden concerning the horse sector consists of the following laws, directives, ordinances and regulations: 1) Environmental Code, 2) Ordinance concerning environmentally hazardous activities and the protection of public health, 3) Ordinance on environmental consideration in agriculture, 4) Nitrate directive, 5) Water directive, 6) Swedish guidance on storage and spreading of manure, 7) Regulation on environmental consideration in agriculture as regards plant nutrients, 8) Ordinance on inspection and enforcement according to the Environmental Code, 9) Ordinance on self-inspection by operators, 10) Ordinance on animal by-products, 11) Ordinance on fees for examination and supervision under the Environmental Code and the fees ordinance, 12) Regulations on the protection of the environment, in particular the soil, when sewage sludge is used in agriculture, 13) Regulations on consideration for natural and cultural values in agriculture, 14) Ordinance on environmental penalty charge, 15) The Planning and Building Ordinance, 16) The Land Code. In Sweden the occupational safety and health issues in general are regulated in the Work Environmental Act (SFS 1977:1160), in the Work Environmental Ordinance (SFS 1977:1166) and in several provisions. There is no specific legislation regarding occupational health and safety in the horse sector. However, these issues are included in the provision *Working with animals* (SFS 2008:17).

Some results of the round table discussions in Finland, Latvia and Sweden

In general, the participants in round table discussions in Finland were hoping for concrete solutions and examples of low-cost and easy help for everyday businesses. Entrepreneurs with lower profitability need more support, but the challenge is to get them involved in education or advisory events. The riding sector at least is much divided, with some businesses having as many customers as they can serve, and others who are constantly on the edge of bankruptcy. To help those small and medium-sized enterprises that need help the most, the project should produce advice that can immediately be used in practice, and concrete results and solutions. The problem with small and medium-sized businesses is the lack of capital and the related impossibility of investing large amounts of money in new technologies or large-scale facilities. In this sector the profitability and competitiveness are often low, but small changes in operations could improve these. Many business owners are still lacking business skills and they may not see what they could use as a competitive advantage.

The current understanding of the equine sector in Latvia has to be reconsidered or a better understanding has to be created. Therefore the policy guidelines and the aid to the sector will have to be reviewed. For example, according to the view of the Ministry of Agriculture of the Republic of Latvia, the equine sector only concerns breeding and accordingly state aid is predominantly provided for this purpose. The Latvian Horse Breeding Association also considers breeding to be its priority, but several representatives of the tourism industry expressed the opinion that horse breeding should be reconsidered, paying special attention to the Latvian horse breed, which could be interesting for foreign and local tourists as a special feature of Latvia. Latvian breed horses possess a nature and traits that make them suitable for tourism and also therapeutic riding purposes. The equine sector in Latvia in general lacks a clear direction for orientation, what should be bred, what might be a profitable product or an exportable product. Since this is not clear on a national scale, it is difficult to discuss aid instruments. The people working in the sector often lack skills in project preparation, they do not have time to learn and study it all, and therefore it is difficult to apply for and to receive the aid. In order to solve this, it is usual practice to involve companies that prepare the project application. Other entrepreneurs try to master these skills themselves.

The horse sector in Sweden is now on a downward trend, pointing out the decreased number of served mares. The horse businesses need to streamline their business ideas, look for better locations (closer to customers) and the activities offered must be more adapted to customer needs and demands, such as different types of activities and livery stables with more specialist services or diversified food production. In general, horse stables will have a lot of opportunities in the sector if they can keep up with the changes in the sector. The interest in Sweden regarding keeping horses and attending riding sports was perceived to be decreasing and it was thought that there is a system change underway. The way to keep horses in the future may not be the same as it used to be. People are not willing to sacrifice time and efforts to keep on with horses any more, people are getting older and there is limited recruitment of young people into the sector. The horse activities mainly take place in urban and periurban areas.

The Equine Sector – in general

The horse sector is a collective term for a number of different activities and specialist enterprises. It is in many ways sprawling and extends between diverse activities such as agriculture and entertainment. The Swedish Horse Council (HNS) provides the following definition: *The equine sector refers to all activities based on the use and possession of horses including both horses for leisure and professional activities and sales of horse-related products and services* (The Swedish Horse Council, 2012; Andersson, 2010).

The equine sector covers a range of people and businesses in contact with horses. Besides riders, the sector is broad and includes *e.g.* farriers, veterinarians, riding instructors, recreational riders, stable lads and grooms, jockeys, trainers, stable owners, breeders, inseminators and occupational riders such as ranchers and mounted police. Furthermore, a number of people are occupied and engaged in operations that are connected with horses but have no direct physical contact with horses, for example at flat racing, jump and race tracks, or in feed production, insurance companies and manufacturing industries (Löfqvist, 2012).



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The Equine Sector in Finland

Horses in Finland

At the moment the horse population in Finland is growing steadily. In 2010 there were about 75 000 horses in Finland (Hippolis, 2010), as shown in Figure 1. Most of these are warm-blooded trotting horses, but riding horses are becoming increasingly popular as riding as a hobby increases in popularity. Approximately 35 000 people in Finland own at least one horse (Suomen Hippos, 2012), and co-ownership is becoming a common way of owning a horse with relatively small costs and responsibilities, especially among trotting sports. There are approximately 16 000 stables in Finland, of which over 3 000 (somewhat less than 20%) are business orientated. These numbers are still only estimates, because Finland is lacking a comprehensive register of stables and stable enterprises.

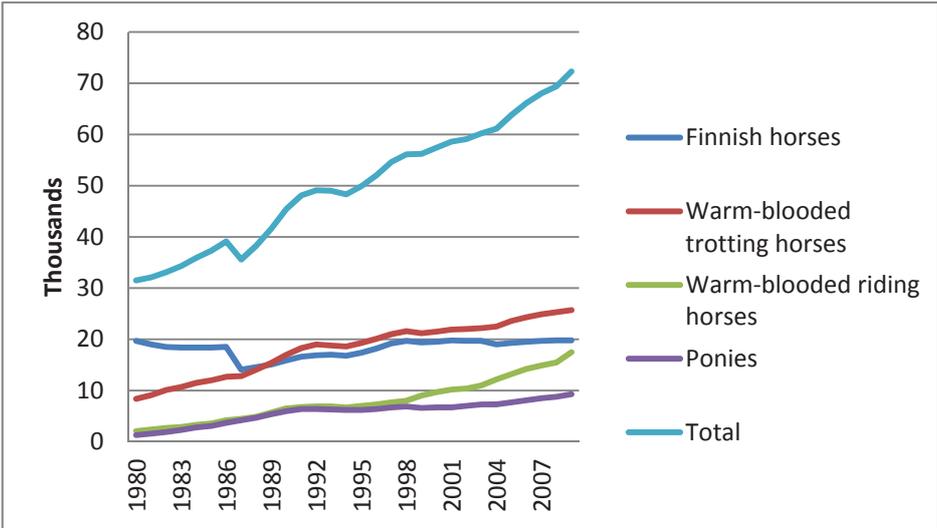


Figure 1. Horse population in Finland 1980–2009.

Source: Pussinen & Thuneberg, 2010.

Every year, approximately 4 200 foals are born in Finland and 2 000 horses are imported from abroad (Suomen Hippos, 2012). Some 75% of the foals born in Finland are Finnish breed horses or warm-blooded trotting horses. Among imported horses 71% are riding horses, 16% ponies and 13% trotting horses (Hippolis, 2010).

The annual increase in the number of horses in Finland is currently approximately 2 000 horses. In particular, warm-blooded riding horses have increased in popularity and will soon exceed traditional Finnish horses in numbers. However, warm-blooded

trotting horses are still clearly the most popular horse type in Finland (Tike, 2010). Many trotting horses continue their careers after racetracks as riding or pet horses, so the breed type does not always explain the current use.

It is clear that Finnish horse breeding is not meeting the needs of domestic horse buyers at the moment. Basically, the whole increase in horse numbers comprises imported horses, as breeding in Finland can only replace the wastage in the horse population. The greatest need for imports is in riding horses and ponies, while buyers of Finnish horses and warm-blooded trotters can usually find their horses from the home country. The number of horses put down every year in Finland is approximately the same as the number of foals born every year. In 2010, around 1 300 horses (weighing a total of 350 000 kg) were slaughtered for food. This amount was 50% more than in 2009 and 63% more than in 2008. Beside this, approximately 1 million kg horse meat is imported into Finland every year (Hippolis, 2010).

In 2010, approximately 35% of the 75 000 horses in Finland were warm-blooded trotting horses, 26% were Finnish horses/warm-blooded riding horses and the remaining 13% were ponies. It is predicted that by 2030, the horse population in Finland will be some 140 000.

The equine sector is growing at the moment, but generation change, lack of co-operation and amateurish operation of stables are major challenges. About 75% of all stables are located on farms, while the remaining stables do not have any agricultural operations beside the equine business. Most of the horses in the European Union live in Germany and Great Britain, with Finland in 12th place. The largest number of horses per 1 000 inhabitants in the EU is in Sweden (30.9) and Belgium (28.5), while Finland is in 8th place with 14.6 horses per 1 000 inhabitants (Hippolis, 2010).

Equine sector and economy

The equine sector in Finland employs over 15 000 full-time or part-time workers (Pussinen & Thuneberg, 2010). Approximately 10 000 of these work full-time in the sector. In a recent horse entrepreneurship survey (Hevosyrittäjäyys, 2009), 20% of the respondents stated that they were going to expand by 2014, another 17% were considering scaling down their business, and 11% were going to cease business and either continue with horses as a hobby or not at all (Pussinen & Thuneberg, 2010).



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Net sales in the equine sector differ depending on business area. In horse breeding, average net sales were approximately EUR 2 000 per horse enterprise in 2009, while for riding stables and trotting horse training stables the average sales were EUR 4 000-5 000 (Pussinen & Thuneberg, 2010). This is clearly less than the European average of EUR 5 000-12 000 € per horse business reported in a previous European study (Liljestope, 2009 cit. Pussinen & Thuneberg, 2010). One explanation could be the size and stage of development of the stables in business in Finland. In larger stables (with 10 horses or more), net sales were EUR 98 000 on average, and 10% of these stables had over EUR 220 000 of net sales. According to the horse entrepreneurship survey in 2009, sales in the equine sector had grown since 2005 (Pussinen & Thuneberg, 2010).

The most common form of equine business is breeding. However, only a few breeders are able to make this into a profitable business. Small-scale breeding is common in Finland and the average net sales in the business are only EUR 30 000 (Pussinen & Thuneberg, 2010).

Riding classes are the second most common form of business in the equine sector in Finland (Pussinen & Thuneberg, 2010). Altogether the number of riding stables in Finland is approximately 1 000, of which perhaps 500 are riding schools or similar (Hippolis, 2010). Approximately 150 000 people ride in Finland as a hobby (Suomen Ratsastajainliitto, 2012).

Finland is one of the five largest harness racing countries in Europe. In Finland harness racing is the second most popular sport, with about 800 000 spectators per year (Hippolis, 2010). Altogether 19% of entrepreneurs report training trotting horses and 68% of these train only their own horses. Harness racing as a type of equine business is most popular in Eastern Finland, where the combined number of trainers (33%) exceeds the number of horse breeders (Pussinen & Thuneberg, 2010).

Education and other organisations in the equine sector

Seventeen vocational schools and two universities of applied sciences in Finland offer education in equine-related areas. The vocational studies are mainly carried out as adult education classes, and two diploma-level vocational qualifications (diploma in riding instruction and diploma in stable management) are available. The universities of applied science offer degree courses in equine business management.

The main organisations in the Finnish equine sector are:

- *Suomen Hippos ry, The Finnish Trotting and Breeding Association.* It has 129 member organisations and is also a parent company of *Fintoto Oy* (betting) and *Suomen Hevosurheilulehti Oy* (horse sports journal).
- *The Equestrian Federation of Finland.* The main organisation for riding stables and riders.
- *Hippolis, the National Equine Competence Association of Finland.* The organisation promotes the competence of the equine sector by sharing information and research results from the sector.
- *Hevostietokeskus, the Horse Information Centre.* Develops advisory materials and education in the equine sector.
- *Breeding associations.* Promote horse breeding throughout Finland.
- *Horse owners' union.* Interest group for horse owners.
- *Ministry of Agriculture and Forestry.*

Environmental legislation

Environmental legislation is one of the broadest judicial systems in Finland. It consists of a number of different laws and regulations, relating to waste disposal, water protection, environmental protection, land use and construction. After EU membership, environmental legislation in Finland was harmonised with EC (European Community) legislation, especially in the case of environmental protection and conservation.

The main environmental legislation concerning the horse sector in Finland consists of following laws, directives and regulations: 1) Environmental protection law and regulation, 2) Waste law and regulation, 3) EU waste incineration directive, 4) By-product regulation, 5) Nitrate regulation, 6) Law concerning dead animals in remote areas, 7) The law on processing household water in remote areas, 8) Health protection law and regulation, 9) Fertilizer law, 10) Conservation law, 11) Land use and construction law and 12) Law about neighbourliness.

Other legislation

New horse welfare requirements were introduced on 1 January 1999. Stables built after 31 December 2000 have to meet these requirements, and from 1 January 2014 these requirements concern all stables in Finland. One requirement, which will be a challenge for old stable buildings, is the minimum headroom: 1.5 times the height at the withers and at least 2.2 m for any horse. The other major change is the requirement regarding the size of the box (9 m² for horses over 1.6 m). In addition to these requirements, the horse welfare requirements include many recommendations regarding for example the height and width of doors and hallways, fire safety, avoiding the use of stalls, amount of windows, and pasturage and box sizes for large horses.



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Results of the round table discussions of the equine sector in Finland

In general, the participants in round table discussions were hoping for concrete solutions and examples of low-cost and easy help for everyday businesses from the project. They believed that the main focus should be business-orientated. Solutions could be introduced by case examples, which were seen as a good way of communicating results to business owners. For communicating these results, highly used channels such as the internet and horse magazines were seen as the most effective. The participants also hoped that for example the internet tool could be updated even after the project has ended.

The participants stated that entrepreneurs with lower profitability need more support, but the challenge is to get them involved in education or advisory events. The riding sector at least is much divided, with some businesses having as many customers as they can serve, and others who are constantly on the edge of bankruptcy.

To help those small and medium-sized enterprises that need help the most, the project should produce advice that can immediately be used in practice, and concrete results

and solutions. The problem with small and medium-sized businesses is the lack of capital and the related impossibility of investing large amounts of money in new technologies or large-scale facilities. In this sector the profitability and competitiveness are often low, but small changes in operations could improve these. Many business owners are still lacking business skills and they may not see what they could use as a competitive advantage.

Understanding customer needs is crucial, for example underlining animal welfare could boost competitiveness. In addition, marketing and focusing on certain types of customers could help to succeed even in remote locations. However, to increase customer mobility, it is crucial to understand their needs and offer services that meet these needs.

Co-operation in the Central Baltic area

The Finnish Trotting and Breeding Association cooperates with Sweden and Estonia, on a daily basis with the Swedish organisations. This is mainly concerning administrative cooperation and joint gambling operations. For example, the Swedish trotting competition in the beginning of 2012 was held in Finland. Cooperation with Estonia is different and more limited, because the volume of gambling activity is not at the same level. More cooperation based on business owners' needs is needed in every country. Cooperation with Sweden is mainly related to competitor exchanges (horses moving between the two countries) and gambling activities.



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In the daily cooperation with Sweden (trotting), joint decisions are made regarding welfare issues and horse races. The Nordic Trotting Committee acts as the umbrella organisation for cooperation.

The Nordic-Baltic cooperation has been underway for several years (riding). Nordic Championships are organised jointly for all main riding sports in each country in turn.

Cooperation with Estonia is quite active, but co-operation with Latvia and Lithuania is still quite low. However, both trotting and riding side seem to be lacking "real networks" that connect the business owners with each other and with the customers. The networking is happening mainly between organisations.

Some horses are exported to Estonia for their growing period, but it would be good if this type of activity could also take place the other way round. In Estonia the equine sector has some problems, for example there is only low-level education in the equine sector and horse welfare issues are not always dealt with properly. Finnish customers should have the possibility to obtain verification on the quality of horse care and conditions. On the other hand, Finland could be marketed as a growing horse location for those Estonian foal owners who prefer higher quality.

One participant also commented that regarding education there is no system for cooperation in the Baltic Sea region. Some minor cooperation has been undertaken with Latvia and Lithuania, but it is based mainly on training. Developing this kind of cooperation could be one way to boost the equine sector in the area.

Results of the individual interviews with equine businesses in Finland

In Finland interviews for work package two were conducted during spring and summer 2012. The first three interviews were held in March, followed by two in May and the last two in June. All interviewees were business owners from the equine sector. They had different kinds of business models and ideas and different sizes of companies.

One of the interviewees had a business using native Finnish horses in a riding school and recreational activities, as well as small-scale breeding. One interviewee was training trotting horses (Finnish horses and also warm-blooded trotting horses) and one case was a small medieval-themed stable that mainly focused on medieval horse shows all over Finland and also in Europe. It also provided some riding activities as medieval riding lessons, but this was a minor part of the business.

The interviewees also included a successful modern riding school, a dressage training stable, a small private stable with horse care services and plans to expand its business and a former breeder who at the moment has an accounting firm focusing especially on equine sector businesses. All interviews were conducted by the same interviewer, the interviews were recorded and transcribed and in most cases photos were taken. The interviewees were chosen by their background in the equine sector to get a fuller picture of the equine sector.

Resources

The interviewees represented different sizes of stables and businesses. The largest stable had over 40 horses, while one of the interviewees owned only a few horses for private use and concentrated on accounting firm activities (offering services to horse-related businesses). She had been breeding Finnish warm bloods for many years in the past, but pointed out that breeding in Finland is not actually profitable, but more of a hobby.

The riding school and dressage training stable each had a riding hall. The dressage stable rented a common riding hall and the riding school had its own, although the land was leased. The horse care stable was going to build its own riding hall. The other stables all had a riding field but no riding hall except for the trotting trainer, who did not have a riding field but trained his horses at the racetrack or on dirt roads.



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All the stables had outdoor paddocks. The dressage training stable (stable and land rented from the city) only had a few paddocks and had no possibility to get more without the permission of the city. Many of the stables also had pasture and throughout the year the riding school used pasture (rented) outside the city, where it had five places for those horses that needed a vacation. The medieval stable was the only one that used loose housing.

Future expectations

The future views differed between the interviewees. It was clear that the future outside the Helsinki city area was more unclear than in central locations. In central locations the interviewees saw new opportunities and new customers, whereas in more distant areas the operations were decreasing. The medieval stable was an exception, because even though it was located in quite a remote location, the owner did not see this as a problem in the small country of Finland. Their business model involved travelling and

good traffic connections were more important than ease of finding customers – in their business they went to the customer when needed. Still, the location was challenging for them too, and they had been considering moving abroad, closer to Central Europe. At the moment, travelling for example to Denmark is demanding for both humans and horses.

The small private stable was starting to expand its services and had already reservations for all new horse places. It was planning to build a full-length riding hall and also more outdoor paddocks, so that every horse could still have its own outdoor area, and the possibility to spend a large part of the day outside. At the moment it believes that its customers appreciate the atmosphere of the small stable (horse numbers approximately 20) with excellent training facilities and surroundings that promote the welfare of the horses, pasturing, herding and long times outside.

Other interviewees were not keen to expand their businesses. Some of them had obvious reasons for not doing business on a larger scale: for example, one owner was conducting her business in a stable owned by the city and had no option for expanding the stable building or taking in more horses. In addition, the customer numbers had decreased and the owner was hoping that the situation will change soon. She believed that the distant location and the riding schools nearby were keeping potential customers away. She also noted that she knew the customers who were looking for the kind of services she offered, but that she just did not know how to find them. Advertising on the internet had not been effective enough.

Interaction

The medieval stable had a lot of cross-border activity because the personnel had shows abroad, especially in spring and autumn when the weather in Finland was no longer suitable for outdoor events. The dressage training stable had co-operation with neighbouring countries in the sense of travelling trainers and horses. The trainer also provided coaching from time to time in different countries and guest trainers came to the stable every now and then. Some foreign workers were also employed.

The trotting trainer also competed in neighbouring countries and sometimes in other parts of Europe, while the former breeder had a lot of experience in importing horses to Finland. However, many of the entrepreneurs operated mainly in Finland. The horse care stable was considering ordering paddock fittings from Estonia.

The stables usually had good relations with their neighbours, and many of them co-operated with neighbouring farms in manure management or by buying hay or other feed or bedding materials. One interviewee had some problems with landowners who had forbidden riding on their lands. Some other interviewees hoped that horse people would be more organised in their contact with land owners and that with the help of

the municipality they would agree on allowable and safe riding tracks. This would also decrease or even stop riding outside the agreed paths, which would be good for example for delicate nature areas and seedlings.

Usually the customers were found by the interviewees' own websites or by word of the mouth – they did very little advertising. Some of the stables were fully booked for riders or horses. The more distant stable had more problems with finding customers, and had also tried internet and magazine advertising with no remarkable results.

Defining the customer group

The riding school had a very clear picture about its customers. It underlined quality of the horses, teaching and facilities and had invested a great amount of money to implement these ideas. It had as many customers as it was able to serve, even though its prices were relatively high. The owner believed that customers are willing to pay more for specialist services and that differentiation will be the key for success in equine businesses of the future.

Horsemanship

Many interviewees felt that people nowadays had less horsemanship than before. They guessed that some people are alienated from nature and have not got a good understanding about horses. The interviewees said that this is seen among the beginner riders and among for example horse owners. Some owners humanise their horses without understanding what they really need. The interviewees thought that the change towards better horsemanship should start from riding schools and from education and training institutions. Some interviewees felt that young students have less experience about horse care when they start their studies than before, because the culture for volunteering as young “grooms” is more or less disappearing. This is why learning horsemanship should be included in equine studies to a greater degree. After all, it is crucial for both safety and horse welfare.

Business skills and profitability

The lack of business skills among business owners was seen as one challenge in the equine sector in Finland. The other problem is profitability. Customers are not always willing to pay the price that would make horse-based operations profitable. Many business owners work for very low income and with very little compensation for their own work. They may not have the knowledge or understanding to organise their actions optimally – their basic knowledge about taxation is lacking and even if they were for example eligible for EU support, they may not know how to apply.

In the trotting business, decreasing prices are affecting the sector. Co-ownership is becoming more popular and is one opportunity for trotting businesses. Attracting new owners and players is crucial for future success.

Manure treatment

Almost all interviewees mentioned problems with manure and hoped that burning manure would be made easier and allowed on the scale that is possible to implement in normal stables. The transportation of the manure is very expensive compared with the situation where the energy from it could be used to warm up the facilities.

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The Equine Sector in Latvia

Horse breeding is one of the traditional land-based sectors in Latvia and the use of horses has been traditionally related to the agricultural sector, but today the directions of horse use are tending to become more varied – horses are increasingly bred and used for sports, leisure, tourism and different therapies. Up to now, the equine sector has been understood and considered as part of the agricultural sector in Latvia, with breeding issues in the foreground. Therefore, when speaking of the sector in general, the terms ‘horse breeding sector’ and ‘directions of horse use’ are usually applied.

Institutional structure of the equine sector

In order to form a notion of the institutional structure of the equine sector in Latvia, a group of researchers identified stakeholders in the sector and commenced work on the development of the organisational landscape within the framework of the project InnoEquine (Figure 2). It was concluded that the stakeholders comprise a number of institutions, organisations and non-government institutions at different levels, each of them fulfilling a certain role, but that insufficient cooperation prevents creation of a common system and strategic encouragement of development of the sector.

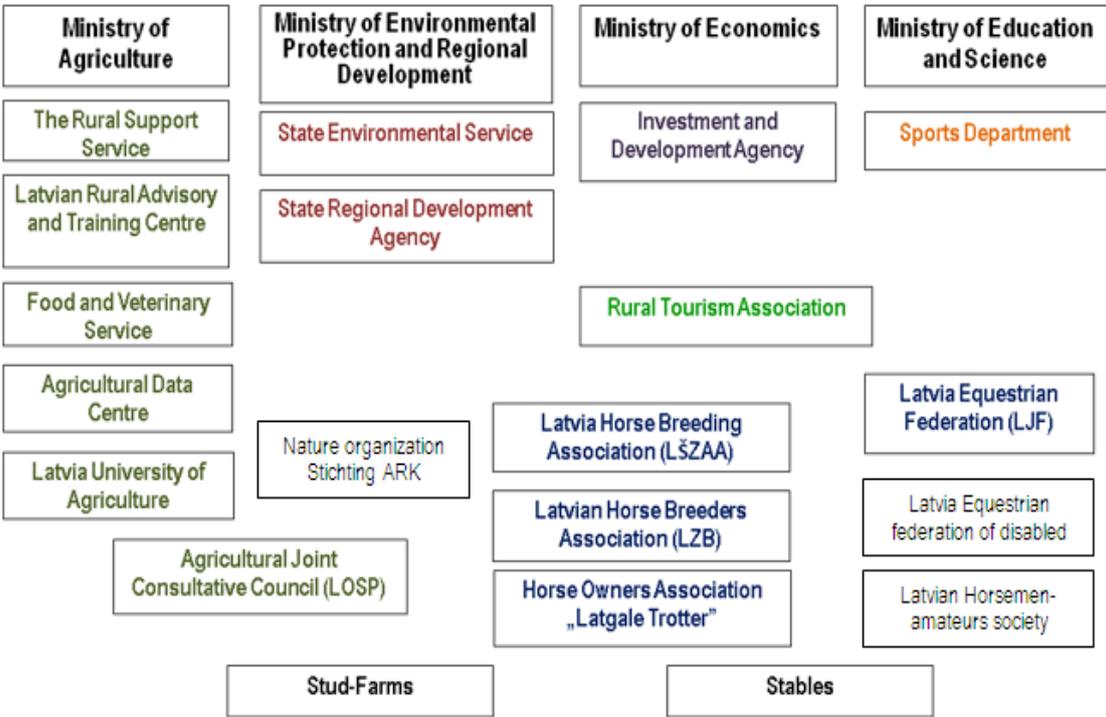


Figure 2. The organisational landscape of the Latvian equine sector

Source: Organisational landscape diagram developed by the InnoEquine project team and still under development.

Number of horses and horse breeds

Although statistical data on the number of horses, breeds, herds, stables *etc.* are being collected and are available in Latvia, there is still a lack of statistical data that characterise the sector in relation to employment, provide an idea of the financial results, and characterise horse uses for tourism or therapy purposes. For example, there are no data on the number of people working with horses. This is perhaps related to the perception of the sector as being located within the context of horse breeding. Statistical data show that the number of horses in Latvia in general has decreased, from 15 250 in 2005 to 11 476 in 2012, and the current trends indicate that it could decrease even more (Table 1).

Table 1. Number of horses in Latvia

Source: Data of the Agricultural Data Centre http://pub.ldc.gov.lv/pub_stat.php?lang=lv

	01.01.2005	01.01.2006	01.01.2007	01.01.2008	01.01.2009	01.01.2010	01.01.2011	01.01.2012
Horses	15 250	14 701	14 040	13 443	13 115	12 593	12 039	11 476
Mares	8308	8029	7692	7375	7205	6933	6622	6305
Geldings	6942	6672	6348	6067	5910	5660	5417	5171
Stallions	21	36	49	68	76	74	74	62
Foals (0- 6 month)	92	106	121	107	78	50	41	46
Young horses (6-36 month)	2150	2127	2120	2048	2102	1976	1741	1480

Horses of different breeds are bred in Latvia, but the horse breeders mainly use only one breed for genetic breeding work – the Latvian horse breed (Latvian warmblood), as well as breeding sports and harness type of Latvian breed horses (without pedigree) (Lauksaimniecības gada ziņojums, 2012). Besides Latvian breed horses, horse breeds such as Polish horses, several pony breeds, Trakehner, Oldenburg, Holsteiner, Hanoverian horses, Russian trotters and other horse breeds are also bred in small numbers (Figure 3).



Figure 3. Horse breeds in Latvia 2008–2010

Source: Lauksaimniecības gada ziņojums, 2012:95

The relatively large number of small herds is typical in Latvia – more than 84% of all farms have 1 to 5 horses (Table 2). Only a few farms have more than 100 horses.

Table 2. Horse herds in Latvia

Source: Data of the Agricultural Data Centre, http://pub.ldc.gov.lv/pub_stat.php?lang=lv

	01.01.2005	01.01.2006	01.01.2007	01.01.2008	01.01.2009	01.01.2010	01.01.2011	01.01.2012
Horse herds in total	9814	9145	8327	7600	7055	6576	6093	5577
Herds (1-5 horses)	9600	8914	8082	7343	6783	6300	5828	5287
6-10 horses	94	95	107	112	122	118	110	131
11-20 horses	66	72	71	80	79	83	84	89
21- 50 horses	38	50	54	51	57	62	57	44
51 – 100 horses	11	10	9	10	10	9	10	13
101-200 horses	3	2	3	3	3	4	4	3
201-500 horses	2	2	1	1	1	0	0	0
More than 500 horses	0	0	0	0	0	0	0	0

Different Latvian regions show different patterns in relation to the number of horses and the size of the herds (Figure 4).

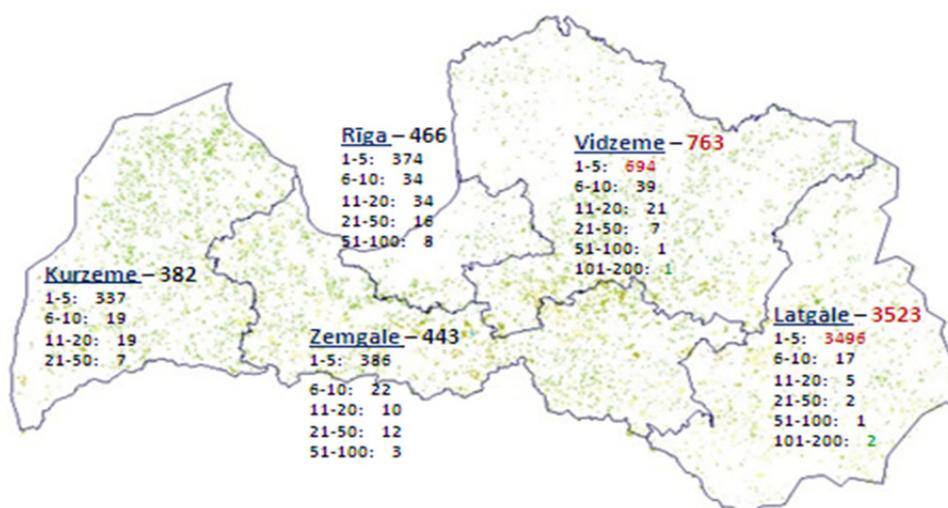


Figure 4. Number of horse herds in Latvian regions (01.01.2012)

Source: Data of the Agricultural Data Centre, http://pub.ldc.gov.lv/pub_stat.php?lang=lv

Dynamics and mobility in the equine sector

In Latvia, horses are used for tourism and recreation, as well as therapeutic riding purposes. When describing the use of the horses for sports purposes, it should be stated that these are mainly used in two classical equestrian disciplines – dressage and show jumping. The sports discipline of driving (carriage driving) is starting to develop and trotter racing is being revived in Latvia. There is no hippodrome left in Latvia, although there have been some discussions related to the establishment of a new equestrian facility.

Horses are an exportable product; so far the number of exported horses has grown annually and has exceeded the number of imported horses (Table 3). The horses bred in Latvia are mainly sold to Scandinavian countries, CIS countries and Germany.

Table 3. Numbers of horses exported and imported in Latvia, 2005–2012

Source: Data of the Agricultural Data Centre, http://pub.ldc.gov.lv/pub_stat.php?lang=lv

	01.01.2005	01.01.2006	01.01.2007	01.01.2008	01.01.2009	01.01.2010	01.01.2011	01.01.2012
Imported horses	56	69	50	12	23	108	270	439
Exported horses	231	431	459	304	342	428	612	784

Policy and regulations relating to the equine sector

According to the requirements of the Ministry of Agriculture, the policy of the horse breeding sector is based on the following important elements:

- a) Horse breeding is performed according to the targets stated in the breeding programme, which are based on production of high quality animals, preservation and improvement of the genotype through purposeful use of the breeding stock and improvement of horse monitoring.
- b) The importance of the development of horses and equestrian sports within the framework of the common agricultural policy is emphasised in order to encourage development of the rural environment.
- c) Horse breeding is compliant with welfare regulations.

National and European Union aid for the development of the agricultural sector is allocated to horse breeding too. Most of it consists of aid for breeding measures in the equine sector. Single payments have been established for four different targets in the identification and assessment of genetic quality and performance:

- a) For breeders' associations for the purpose of maintaining the stud-book.
- b) For creation and maintenance of the catalogue of animals to be included in the stud-book.
- c) For publishing of the horse stud-book.
- d) For regular publishing of updates on the livestock breeding sector for public access.

Data from the rural support service show that the funding for breeding in the equine sector has been reduced annually in the previous five-year period (Figure 5). The reason for this is the decreasing number of horses during recent years. Furthermore, not all owners of horses, especially those with a small number of horses, are entitled to or apply for subsidies for breeding.

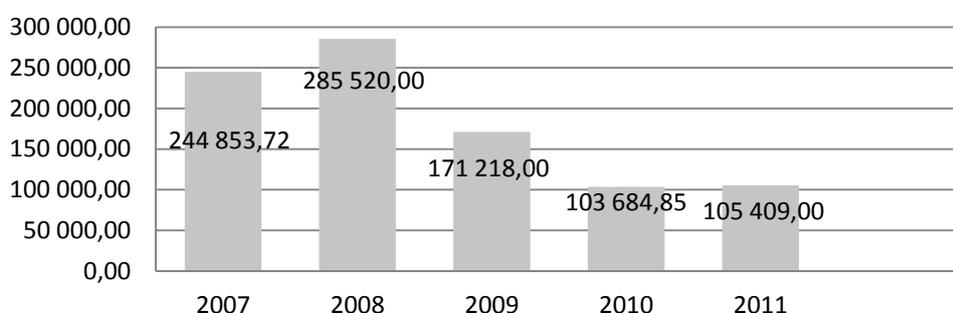


Figure 5. Funding (LVL) for breeding in the equine sector in Latvia (1 LVL≈0.70 EUR). Source: Data of the Rural Support Service, www.lad.gov.lv

The policy analysis carried out within the framework of the project shows that currently there are no specific regulations in Latvia which define requirements for keeping horses. Horse breeding is not distinguished separately within the field of animal welfare in Latvia and therefore the main document is the Animal Protection Law. Its norms are general, while Cabinet Regulation No 959 'Welfare Requirements for the Keeping and Training of Sport, Work and Exhibition Animals and Use Thereof in Competitions, Work or Exhibitions' does not specify actions with horses and can easily be interpreted in different ways. There is no measurable evaluation system to assess fulfilment of the requirements in the Cabinet Regulations. The law stipulates the actions and activities which may be undertaken with an animal and those which are strictly forbidden and lists the institutions that should supervise compliance with the law and the welfare requirements.

Among the requirements mentioned, special attention should be paid to the issue of training animals. There is experience of training both sports horses and horses used for leisure in Latvia. Different animal training methods have been practised - from classical to modern approaches. The application of these methods lies within the competence of stud farms or sports clubs. Each method is interpreted by using different solutions which cannot be either generalised or assessed on a national scale. Therefore it can be considered that the issue is not regulated accurately in the legal norms; there are no standards and thus verification of compliance with the requirements of the Cabinet Regulations of the Republic of Latvia in relation to the training and maintenance of the acquired skills is not possible.

Transport of horses is regulated relatively accurately, which to a great extent includes ensuring the welfare of the horses during transport. The current legislation permits the transport of horses to competitions, contests or for breeding purposes within the territory of Latvia and no special documents are required from the Food and Veterinary Service, even if the transport is related to economic activities. In the case of transporting a horse (from one stable to another or for breeding purposes), a declaration of animal movement has to be filled in. The permits for animal transporters and certificates of vehicle compliance are issued by the Food and Veterinary Service or other responsible institutions of Latvia as a member state of the European Union. These documents are valid for up to five years. The qualification certificates for vehicle drivers or attendants are issued by the institution in Latvia specifically designated for this purpose according to European Union requirements - the Latvian Rural Advisory Centre.

Considering that therapeutic riding is popular in Latvia, it has to be concluded that regulations exist in the field of therapeutic riding, but these are not sufficient. Clear requirements for the specialists employed in therapeutic riding have been defined: 1) The person leading the activity has to be a certified physician or physiotherapist; and 2)

he/she must have significant experience of working with horses (riding, grooming, and knowledge of the physiology and psychology of the horse). The regulations do not stipulate measurable and uniformly valued requirements for the horse itself, so at the moment all responsibility for this issue rests with the therapeutic riding specialist and his/her experience. However, it has to be considered that priority in certification is given to medical specialists, who do not always have adequate knowledge in animal physiology and psychology.



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Latvia lacks the basis of normative documents that would specifically regulate personal safety in the horse breeding sector and in businesses related to horse use. Therefore the common normative basis has to be considered, the foundation of which is the 'Labour Protection Law'. However, riding, trail rides with horses, driving in a sledge *etc.* are always related to increased risk, considering that these activities should always take into account the nature of the animal, unexpected situations *etc.* Therefore special regulations to improve the personal safety level are required to oblige service providers using horses to comply with such requirements. At the moment, internal order and safety regulations have been developed in those Latvian farms that operate according to high service standards, which at least partially compensates for the lack of normative regulations. Yet such practice is still missing in many stables. The client is usually asked to sign a contract taking all responsibility for accidents and other problems during use of the service provided, but this does not reduce the risks to service users.

In general, it has to be concluded that the strategy of the sector has to be developed, as well as work to improve the normative regulations in the field of service provision, considering both the interests of the service providers (horse breeders, stable owners) and the service users. There is an obvious necessity for various types of research in the equine sector in Latvia. This research should support decision making, planning of the development of the equine sector and the process of elaboration of normative regulations.

Wild horses in Latvia as a constituent part of the equine sector

A description of the equine sector in Latvia is not complete without providing an insight into the situation with wild horses, since Latvia is the country in Europe with the third largest number of wild horses (behind the Netherlands and Poland). There are approximately 500 wild horses in Latvia and the experience with these can be deemed as an example of best practice, with good chances for further development.

In 1999, the World Wildlife Fund introduced 18 wild horses of the “Konik polski” breed near the Pape Lake in the Liepāja region of Latvia. Now wild horses are grazing at almost 30 sites covering a total area of more than 400 hectares. Introduction of wild horses is part of an initiative of the World Wildlife Fund with the purpose of reintroducing three large herbivore breeds (wild horses, aurochs and bison). Historically these animals were once an integral part of Latvian nature and to date everything indicates that the wild horses have acclimatised themselves to the Latvian meadows, breeding successfully and integrating in the environment. Introduction of wild horses serves to restore biotopes (grasslands) and preserve biodiversity. Most of the territory where the wild horses are grazing is classified as Natura 2000, as well as eco-farms with biologically valuable grasslands.



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Natural grazing is a new concept in Latvia, and therefore work is currently underway at the Ministry of Agriculture to recognise this as an agricultural practice with particular, specific conditions. In addition, solutions are being investigated to promote the possibilities of receiving subsidies. Simultaneous discussions on the status of wild horses are ongoing – whether it is a domestic animal or wild animal – which may either restrict or extend the possibilities of farms to keep and use these horses.

In general, it has to be concluded that the equine sector in Latvia can be characterised as being based on tradition and the persevering work of enthusiasts in the sector, which are essential pre-conditions for the existence and further development of the sector. Nowadays there is an observable increase in interest by various social and demographic groups in horses and horse-related activities – riding, horse rental for events *etc.*, although there are no statistical data and research available to confirm this. One such example that indicates the increasing interest in horses is the Latvian Horse Days event that took place in August 2012 and the attendance level at this event.

Results of the round table discussions of the equine sector in Latvia

Within the framework of the InnoEquine project in Latvia, three round table discussions were held on the topic ‘*How to promote development of equine industries in Latvia*’. The participants included representatives of the equine sector (*e.g.* horse breeders, representatives of equestrian sports, trainers, horse owners), representatives of relevant associations, representatives of Zemgale and Kurzeme planning regions, representatives of the tourism industry, representatives of the Latvian Rural Advisory and Training centre, representatives from the Ministry of Agriculture of the Republic of Latvia, media representatives and lecturers and researchers from the Latvia University of Agriculture (LUA). Three discussions were held in 2012: on April 25 in Jelgava (LUA), on June 12 in Kuldīga, and on July 3 in Saulkrasti.

All present were first introduced to the objectives, tasks, target groups and expected results of the project. During the discussion, the participants were encouraged to share their experiences and thoughts on their vision of the equine sector in Latvia at the moment and its future development. A number of problems, challenges and also strengths of the sector were outlined. Several main challenges that the sector has to solve were mentioned.

Understanding the equine sector and perspectives on development of the sector

The discussion resulted in the conclusion that the current understanding of the equine sector has to be reconsidered or a better understanding has to be created. Therefore the policy guidelines and the aid to the sector will have to be reviewed. For example, according to the view of the Ministry of Agriculture of the Republic of Latvia, the equine sector only concerns breeding and accordingly state aid is predominantly provided for this purpose. The Latvian Horse Breeding Association also considers breeding to be its priority, but several representatives of the tourism industry expressed the opinion that horse breeding should be reconsidered, paying special attention to the Latvian horse breed, which could be interesting for foreign and local tourists as a special

feature of Latvia. Latvian breed horses possess a nature and traits that make them suitable for tourism and also therapeutic riding purposes.

The representatives of the sector acknowledged that the equine sector in general lacks a clear direction for orientation, what should be bred, what might be a profitable product or an exportable product. Since this is not clear on a national scale, it is difficult to discuss aid instruments. The fact that subsidies are granted only to the purebred horse stud-farms and not to all farms which breed horses was mentioned as a problem. Swine breeding was mentioned as an opposing example. The use of aid instruments which provide aid through projects is sometimes problematic, because the persons preparing the projects have to be skilled enough to formulate their ideas so that the project complies with the specific requirements of a particular aid programme and its theme. The people working in the sector often lack skills in project preparation, they do not have time to learn and study it all, and therefore it is difficult to apply for and to receive the aid. In order to solve this, it is usual practice to involve companies that prepare the project application. Other entrepreneurs try to master these skills themselves.



When asked about the organisations in the sector, the horse breeders acknowledged that they do not feel any great support from these (the Equestrian Federation, the Horse Breeders Association, the Latvian Horse Breeding Association). However, a lot is expected from these organisations. The task of the horse breeders' associations is to guide and develop the strategy of the sector, to organise shows where horses are assessed according to a specific value scale, to perform certification *etc.* Some breeders believe that the managers of the organisations are not truly interested in solving the problems of breeders and that perhaps they have some personal interests. The associations only collect the money for horse certification, but they do not show any

tangible initiative to defend the interests of the members of the associations, for example, in the issue of the Ministry of Agriculture concerning the subsidies for the sector.

The Zemgale and Kurzeme planning regions do not have a clear vision yet as to how the equine sector could be promoted in the region. Commitment was expressed to see what could be solved in the field of education and diversification of agriculture. The regions do not have any projects designed specifically to develop horse breeding. It was acknowledged that research and analysis of statistical data on sector trends, demand for services *etc.* are needed to substantiate the necessity of the aid and plan aid measures, as well as elaborate the development strategy of the sectors.

When evaluating equestrian sports in Latvia, the participants in the discussion admitted that there are problems in the country with sports schools and training of riders who could really achieve top results.

The representatives of the tourism industry saw the potential for using horses in tourism; they mentioned examples from different tourism fields related to the cooperation between entrepreneurs, marketing and innovative solutions, which could be used in the equine sector and equine services in a similar way.

Normative requirements and regulations

Development or review of the normative requirements is needed, particularly in relation to the safety and other requirements (border crossing, horse welfare, quality standards and evaluation) in horse breeding, using horses for tourism, recreation, therapeutic riding, *etc.* Those working within the sector found certain requirements illogical, as if detached from actual life. At the same time, the efforts of the associations relating to the sector to offer solutions are not always supported by the Ministry (for example, regulations on certification of horseback riding centres and welfare requirements were prepared by the association, but their further progress has been halted in the Ministry of Agriculture). The farmers and breeders also seem to resist the introduction of any (new) normative regulations. The resistance can be observed on the part of the official institutions as well – if the regulations were developed and enforced, somebody would have to monitor the implementation of the regulations and this would mean additional work. Foreign experience was mentioned where safety issues and certification are handled on a serious level – this concerns both horseback riding, tourism and sports training.

During the discussions in Saulkrasti it was proposed not to impose some safety directions from above, but rather develop guidelines at the level of associations, which could be published on the websites of the associations as recommendations. The implementation of these safety directions would not be enforced upon businesses, but those who care for the quality of their services and their reputation would be motivated

to comply with them and thus good practice would gradually spread throughout the whole sector. Foreign guests would also be able to obtain information about the regulations valid in Latvia by looking at the websites of the associations. Safety issues should be considered together with the certification of the service providers.

Some breeders were sceptical about the necessity for safety regulations in tourism, because they consider that tourists should be responsible for their safety themselves once they have agreed to use horses. They did not agree that life or health insurance should be required as a compulsory measure, because that might only reduce the number of tourists and scare them off. It could be asked for only if the person came for regular training. The current attitude is that if the client rents the horse, he is responsible for what happens to him. The service providers are often not even prepared to provide the clients with helmets, because helmets of different sizes would be needed, which would have to be looked after, and this all would mean additional costs for the business.

The business owners mentioned examples of formal requirements changing often and that they have to manage to follow these, for example, the requirements on documentation and accountancy. Several requirements were seen as unnecessary and exaggerated, for example, the business owners were not happy with the requirement that horses need a declaration of movement within the territory of Latvia. They also felt that the requirement to inject a chip into each horse seems exaggerated (because there is no such requirement in neighbouring countries). They were not satisfied that the veterinary certificate can only be obtained from the regional centre, and not the local vet, which again increases the costs.

Provision of therapeutic riding in Latvia is problematic because obtaining the required certification has been impossible for several years. Business owners are showing initiative in seeking solutions to re-name these lessons so that they can still provide similar services.

Education

It was acknowledged during discussions that obtaining a formal professional education and further education is problematic in Latvia. Possibilities for education and further education (professional training and further education courses) for those people employed in the equine sector have to be created, which could partially be solved by involving project funding, by using the current resources within Latvia University of Agriculture and by seeking possibilities abroad as well. Educating trainers is also important.



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Cooperation

It was acknowledged several times during each discussion that closer and more coordinated cooperation and dialogue are needed among the stakeholders (for example, the breeders themselves, the policy makers and the representatives of the sector, the equestrian federations and the horse breeders' associations), as well as cooperation among breeders. There is a need for definition of competences and responsibilities among stakeholders, for example who would have to handle the development of the regulations and the certification. It was admitted that the cooperation between the breeders and other business owners is not sufficient; it is also not efficient that there are two horse breeders' associations. Cooperation among organic farmers was mentioned as a positive example. Cooperation should be developed in the field of service provision. There have been cases where it is easier to cooperate with Estonian stables in providing a service than with Latvian businesses.

Quality of the sector services

Suitable places for preparing and training young horses are lacking in Latvia, so breeders are forced to sell horses for very low prices to Swedish and Finnish buyers, even below cost-price so as to be able to feed the other horses. Another problem is the lack of cooperation between breeders and riders. Facilities for training young horses and selling horses could be established through cooperation by those employed in the sector.

It was acknowledged several times during discussions that a value scale is lacking to define a good horse, rider, trainer *etc.* The task of the associations should be to define such criteria. There also has to be a review about who is performing different certifications at the moment, because the certified horse valuers currently working abroad and in the local market do not always seem trustworthy.

The horse breeders do not participate in equestrian competitions and therefore they do not see the quality of their horses. Creation of new, innovative services, working with clients, attraction of new clients, mastering a foreign experience *etc.* are major challenges. Not all business owners are ready for these challenges, as they lack innovative thinking, language skills and understanding of the necessity to view the equine sector on a broader scale and not so traditionally.

Popularisation of the sector and education of the public

It was concluded during the discussions that popularisation of the equine sector and the services and fields related to the use of horses is needed both in Latvia and abroad. This can be achieved by creating common information networks and promoting the image of the sector, by reporting the achievements of the sector in the fields of sport, breeding, tourism *etc.* At the same time the service providers themselves need to be educated and trained to develop their skills to work with clients and create an adequate service. Creating and developing qualitative marketing and an orientation towards export of good quality horses (broken, trained, with “added value”) is very important.

It is important to educate the general public that a horse is not vicious and will not attack. A lot can be achieved in this field by cooperating with the mass media. The necessity to educate society about horses, their specificity, possibilities and potential services was emphasised in the round table discussions and proposals were made to cooperate with schools and kindergartens so that children could become familiar with horses from an early age and develop an interest for this field.

Results of the individual interviews with equine businesses in Latvia

Within the framework of the InnoEquine project, five semi-structured in-depth individual interviews with equine businesses and stud-farm owners in Latvia were carried out. The businesses and stud-farms interviewed within the framework of the project comprised various Latvian regions - Kurzeme region: stable ‘Jura staļļi’ and tourism-farm ‘Zāgkalni’, Pierīga region: riders club ‘Erceni’ and Vidzeme region: stud-farms ‘Kocēni’, ‘Dekšņi’ and ‘Arāji’. The investigated farms varied by their size, profile and range of services offered. This broad sample of informants allowed an insight and opinions to be obtained from the most significant, typical equine businesses and tourism-farms with horse-related activities.

In general, it can be concluded that the equine sector in Latvia is operated by the enthusiasts in the sector, some of whom are dedicated to horse breeding and others to using horses in sports, tourism, recreation and therapy. There is a third group as well, those owning one or two horses and using them for their own needs – both as a means of transport and for performing work on the farm, which is more typical for rural

farmsteads. For the purposes of the project, attention was only paid to the first two groups.

Resources

The representatives of the businesses and stud-farms interviewed were reluctant to describe the resources in their possession and, compliant with the code of research ethics, only information which the informant was ready to provide was obtained. Such a situation is typical for the Latvian business environment in general and is not just specific to this sector, and can possibly be explained by the features of the post-communist space. The description of resources possessed by the businesses comprised information on the issues of horse feeding and grazing lands, stables and indoor arenas, number and breeds of horses, number of employees, but no information was obtained concerning the financial parameters of the businesses, number of customers and, in some cases, the exact area of land owned by the businesses.

None of the interviewed businesses had problems with grazing land issues and feeding horses in the winter period – either the stable owners themselves have vast lands for grazing, hay and oat growing, or the neighbouring land owners are kind enough (most often free of rent charge) to offer their fields for grazing or hay harvesting. Other businesses, based on personal cost-benefit estimates, have concluded that it is more cost-effective to buy hay and oats, and therefore they have established cooperation with suppliers of grain and hay. Feed supplements are not provided on a regular basis in all stables and to all horses; their use depends both on the profile of the business and the opinion and means of the owners. The breeders of sports horses tend to pay more attention to this aspect.

The businesses investigated demonstrate the situation in Latvia in relation to stables, indoor arenas and outdoor arenas. Some of the stables and indoor arenas have remained since the 1990s without substantial reconstruction and improvements, some stable owners have found the resources to perform substantial reconstruction of existing stables or to build new stables and indoor arenas – some by investing their personal savings, others by taking a loan from the bank, and some others by using the financing of the European structural funds. Based on the interviews, the conclusion was that the stable owners perform some improvements and work on facilities on a regular basis and everybody hopes that in the future they will be able to invest more in the stables, changing rooms, indoor and outdoor arenas, or to create a clinic or recreational premises to diversify the possibilities of service provision.



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In Latvia it is not typical to hire external employees in businesses and stud-farms, and those employed are mostly family members. This can be explained by the fact that horse farms are mainly small farms without a need for more workers, by problems in paying a regular salary and taxes as required by legislation, and sometimes by problems in finding employees that the owner can trust. The largest stud-farms, of course, have hired employees, most often trainers with appropriate qualifications and horse grooms. Sometimes the employees are hired on a seasonal basis. The veterinarian and farrier services are outsourced and, since horses with several co-owners are usually kept in stables, it is customary for one stable to be served by several veterinarians and farriers – depending on the preferences and possibilities of the horse owners.

When describing the resources in the possession of the stud-farms and businesses, the state and European Union subsidies should be mentioned as well as a form of financial aid, which in Latvia is more related to preserving the genetic stock of the purebred Latvian horses. All of the businesses interviewed had received aid in at least some period of their business operation, but the interviewees had different views on the efficiency of the aid of this scope.

In general, the interviewees rated the situation of their stud-farms and businesses as complicated and problematic in an economic sense, because the costs of horse breeding and keeping are high and there are problems with finding sales markets and customers with purchasing capacity for the services in Latvia.

Profile and services offered

The information obtained during the interviews shows that Latvian stud-farms and businesses are diversifying the range of services offered in order to survive, some are even changing their status and main form of activities. Some of the businesses continue to breed and prepare horses – some only breed Latvian breed horses, while others have turned to breeding sports horses, but the stud-farms are increasingly offering horse livery, horseback riding, carriage riding, riding lessons and other services in parallel.

Some of the businesses see better opportunities in the field of tourism, recreation and therapeutic riding, abandoning horse breeding and sales activities. Other businesses see better opportunities in offering horse training services according to the natural horse training method developed by Monty Roberts, as well as offering training of problematic horses, but they do not provide horseback riding services and horse breeding. Thus on one side there is search for a niche in which to succeed in Latvia, but on the other side there is diversification of services and possibilities. Both trends are positive from the viewpoint of development of the sector and the businesses.

Some businesses have invested a great deal of work in the creation of their websites, a profile in one of the most popular portals in Latvia – draugiem.lv or description of the services offered in the directories; one also gets the feeling that they have paid serious attention to developing informational and attractive offers. However, there are some businesses that do not consider it necessary to inform and advertise their business and services offered, assuming that advertising 'by word of mouth' is the best way or 'those who want, will find'. Such choices are justified by both existing experiences with the efficiency of different marketing activities and the attitude towards allocating money for marketing activities. Several interviewees indicated that they plan to invest more in establishment and improvement of services and providing more complex services, since they consider that this is the only way to satisfy the needs of the customers.

Main customer groups

The main customer groups for each of the stables represented by interviewees depended to a great extent on the range of services and possibilities offered and the location of the stable. It was not possible to obtain the number of the clients and changes in this within the framework of the project, but the interviewees admitted that the number of the clients has to be increased in order for the businesses to develop – both those clients that wish to buy and keep horses and those that wish to use horseback riding and carriage riding services or take riding or driving lessons. Two basic client groups can be established for each of the stables – the regular clients that use the services offered by the stable on a regular basis and for several years; and occasional clients who use some of the services for different purposes. Some of the interviewees had thought about the hypothetically vast group of potential clients who have not become horse enthusiasts or do not use the recreational and therapeutic services offered by the stable due to lack of information, fear or prejudice or lack of riding skills. The interviewees would be glad to see the field of leisure horse riding expanding in Latvia as that would mean an increasing number of people wanting and being able to afford being horse owners, as well as spending more time and resources on horseback riding.

Foreign clients are most often found among the horse buyers, which is confirmed by the official statistics on horse exports. For the purposes of horseback riding and recreation, foreign clients tend to visit those stables that are located near Riga or on rare

occasions near other large cities, but such visitors are virtually non-existent in rural areas. The owners of larger businesses and those orientated to provision of tourism services see foreign clients as their potential client group; the interviewees acknowledged this to be a field for serious development by both learning a foreign language and investing in different marketing activities.

Cooperation aspects

Although the interviewees acknowledged that cooperation is an important tool, in practice they tended to operate more on an individual basis, adopting a form of '*single farmstead thinking*'. Main cooperation areas and agents are the suppliers of hay, oats and feed supplements and the providers of veterinarian and farrier services. Several businesses and stables have established excellent cooperation of different types with the local municipality as the administrating body in the territory in which they are operating. The interviewees representing stud-farms and businesses admitted that closer cooperation would be needed with the associations, unions, federations and supervising institutions of the sector, but this cooperation is not as active and productive as it could be due to poor accessibility and lack of time. Some businesses that are orientated towards the tourism and recreation field rated the cooperation with tourism associations and tourism information centres as being positive, but considered that they themselves should be more active in this direction as well. Another field of cooperation which the interviewees considered important, and which should be developed more efficiently and actively, is related to the cooperation with foreign partners both in sales of horses and exchange of experience. So far such cooperation has been based more on existing traditions and contacts and the search for new forms has been limited.

Assessment of the sector and the development perspectives of the sector

The interviewees rated the situation in the equine sector in Latvia as difficult and viewed the future development rather sceptically, given the impact of the economic crisis and its consequences. The interviewees acknowledged the complexity of the situation and the dependence of the sector on more general social economic and political processes, as well as the lack of simple and instant solutions, but they are hopefully minded that the sector can be developed if there is the will and active involvement. They see the potential for the development of the sector and their businesses to lie in the creation of more diverse services, development of cooperation contacts with foreign countries and promotion of leisure riding. All interviewees agreed on the necessity of preserving the genetic stock of the purebred Latvian horses and more extensive popularisation of this breed.

Some of the interviewees considered it positive that there are several associations, unions and federations of the sector operating in Latvia, but others saw this as negative. However, they all agreed that closer cooperation is needed among the current

stakeholder groups to achieve common goals and to solve issues important for the common development of the sector. The individual interviews also uncovered several examples of best practice and efficient or creative solutions which can be used in the further stages of this project, especially in the development of the innovations guidebook.

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The Equine Sector in Sweden

Having a horse has become a lifestyle for many people in Sweden. Horses and horse activities are increasingly in demand and new lines of business continue to evolve. This has been a fact during the recent years but now the trend seems to level out. The horse has great significance in Swedish society, socially, culturally and economically. This in turn is leading to changed conditions, both for the practitioners themselves and the surrounding community (Swedish Board of Agriculture, 2008). The increasing horse sector is having a large impact on landscape planning too (Elgåker, 2011). Horses also play an important part in the development of a living countryside. Horses provide an additional income to farmers over and above conventional farming and encourage people to move to the countryside or to remain in rural areas (Flygare & Isacson, 2003). Horse sport in Sweden has long been of a social movement character, unlike in many other countries. Many people who work with horses do it with great enthusiasm and passion and in recent years the trend has led to increased establishment of horse-related business.



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The equine structure – associations, organisations and stakeholders

Several associations, federations and government institutions are active in the Swedish equine sector. Their size and influence on the sector vary depending on their activity. Some of the key players have local sub-associations, societies and clubs. The main associations, organisations and stakeholders in Sweden are:

- *The Swedish Horse Racing Totalisator Board (AB Trav och Galopp, ATG)*. Its main task is to organise the gambling in trotting and gallop.

- *Swedish Trotting Association* (Svenska Travsportens Centralförbund, STC). It represents Swedish trotting both nationally and internationally and has responsibility for trotting training, trotting breeding and common rules and regulations for the sport.
- *Swedish Gallop* (Svensk Galopp, SG). The counterpart of STC regarding gallop and also the breeding organisation for English thoroughbreds.
- *Swedish Equestrian Federation* (Svenska Ridsportförbundet, SvRf). Represents and works to promote the equestrian sports and its members in the public arena.
- *Swedish Breeding Association* (Svenska Hästavelsförbundet, SH). Has the organisational responsibility for all breeding except trotting and gallop.
- *The Federation of Swedish Farmers* (Lantbrukets Riksförbund, LRF). One of the best known farmers' associations and is also a key player in the equine sector.
- *The Swedish Horse Council* (Hästnäringens Nationella Stiftelse, HNS). An organisation with the mandate to deal with issues of national interest in the equine sector - with emphasis on training, breeding and rearing.
- *The Swedish Board of Agriculture* (Jordbruksverket, SJV). The Government's expert authority regarding agriculture and food policies. Regarding horses, horse establishments and horse businesses, SJV has three perspectives on the horse: animal welfare, breeding and issuing horse passports, their environmental impact by including manure, and the horse as a rural entity and enterprise.

Education in the equine sector

The Swedish University of Agricultural Sciences (SLU) conducts research and education in the equine sector and has operations located in Ultuna, Alnarp, Skara and Umeå. The degree courses relating to the equine sector are veterinary medicine, agriculture (animal husbandry), equine science, animal paramedic and farrier. SLU has an important role in the development of the horse sector through the production and dissemination of new knowledge. The university is the principal for equestrian higher education at the three facilities nationwide. In collaboration with the National Veterinary Institute (SVA), SLU started Project Hippocampus 2002. Hippocampus is a strategic investment on a horse research and information centre, conceived as a new start for equine research at SLU and SVA (Andersson, 2010; The Swedish Horse Council, 2008).

The growing interest among young people has led to an increased supply of upper secondary vocational training related to the horse. Approximately 30 natural resources colleges with agricultural programmes offer upper secondary programmes with special focus on horses, as well as various forms of further education programmes. The natural

resource colleges also offer the opportunity for those who want to be professional horse keepers to get a vocational diploma (Andersson, 2010).

Number of horses, horse establishments and activities

The number of horses in Sweden decreased in the early 1920s from about 700 000 to about 70 000 in the 1970s (Swedish Board of Agriculture, 2010). However, during the past 30 years the number of horses has increased tremendously. Today there are approximately 362 700 horses in Sweden and about 34% of these horses are located in the Baltic project area (Gotland, Gävleborg, Östergötland, Södermanland, Stockholm, Uppsala, Örebro and Västmanland county) (Table 4). About 20% of all horses in Sweden are within business establishments (Swedish Board of Agriculture, 2012a).

The number of horses per 1 000 habitants is 39 for the whole country and Sweden is now estimated to have the second highest density of horses per capita in Europe (Swedish Board of Agriculture, 2011). Within the Baltic project area, the county of Stockholm has the lowest number of horses per 1 000 inhabitants with 22 and the island of Gotland has the highest number, with 180 (Table 4). As the number of horses has increased, the number of cows in Sweden has declined and for the first time there are now more horses than cows in Sweden (Statistics Sweden, 2012; Löfqvist, 2012).

More than 80% of Swedish horse keepers have all or some of their horses as a hobby. Most of these use the horse for riding and do not participate in competitions. About one-third of horse keepers have professional businesses with horses and more than half of these do so in combination with other non-horse-related businesses. The most common form of enterprise for horse-related business operations is as sole proprietor (Swedish Board of Agriculture, 2012a).

There are approximately 77 800 establishments involving horses in Sweden and about 29% of these are situated in the Baltic project area (Table 4). The equine businesses have on average 4.7 horses and provide full-time or part-time work for a total of 25 000 people. About two-thirds of those working with horses are women (Swedish Board of Agriculture, 2011; 2012).

Table 4. Number of horses, number of horses per 1 000 inhabitants and number of locations with horses in Sweden (Swedish Board of Agriculture, 2011)

Area	No of horses	Horses in agriculture	No of horses/ 1000 inhabitants	No of locations ¹ with horses
Sweden (all counties)				
Year 2010	362 700	110 700	39	77 800
Year 2004	303 100-328 100	95 660	31	56 000
Project programme area (counties)				
Gotland	10 300	2 500	180	2 100
Gävleborg	14 800	3 700	54	3 400
Östergötland	16 100	5 900	37	3 300
Södermanland	No information	4 300	No information	1 400
Stockholm	45 200	9 200	22	3 800
Uppsala	14 600	5 400	44	3 300
Additional area				
Örebro	9 900	3 800	35	2 700
Västmanlands	11 200	3 100	44	2 200

¹The definition of a location in this table includes both properties with buildings or properties without buildings

About one million Swedes (11% of the population) are in some regular contact with horses and the various activities they generate (Löfqvist, 2012). Around 500 000 Swedes ride regularly in competitions, for exercise or recreation and the majority (85%) are female (Swedish Equestrian Federation, 2012). More than 60% of the horse keepers have no training related to their horse keeping (Swedish Board of Agriculture, 2012a). Among young people, equestrian sports come third after football and floor ball, and for young females they take second place (Swedish Sports Confederation, 2008).



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Horses and horse establishments in Sweden are mainly situated around residential areas, *i.e.* about 75% of horses and 66% of equine establishments are in urban and periurban areas (Swedish Board of Agriculture, 2011).

There are over 597 riding schools, 75 trotting courts and almost 1 000 riding clubs with 200 000 members, 65% of whom are under 25 years of age (Löfqvist, 2012). Jumping is the largest riding segment, with 78%, while dressage occupies 19%, eventing 2% and other branches 1%. The other segments include driving, endurance, voltige and pony gallop. Furthermore, horse riding in Sweden is in fact the largest sport for recreation and rehabilitation. The majority (85%) of the establishments house their horses in stalls with boxes, but approximately 25% have all or some of their horses in loose housing (Swedish Board of Agriculture, 2011).

Horse breeds

The most common types of horses in Sweden are the Swedish warmblood for leisure and competition and the warmblooded and coldblooded trotter. According to the breeding report from the Swedish Horse Council (2012), the number of registered horses amounted to 286 500 in 2011 and the number of foals born and registered amounted to 10 573. A registered horse implies that the horse is registered when a horse passport is issued and since 1 January 2006 all horses irrespective of age and breed must have a passport (EU regulations). However, the discrepancy between the number of estimated and registered horses indicates that some horses might not be registered or the number of horses has been overestimated. In the breeding report from HNS, native horses (Gotlandrus and North Swedish Coldblood) make up approximately 14 500 horses, while there are 86 000 warmblooded trotting and gallop horses, 147 000 warmblooded riding horses and 39 000 ponies (The Swedish Horse Council, 2012).

There are no official records of number of imported horses, but according to an estimate made by HNS, approximately 2 500 horses are imported into Sweden every year. The number of exported horses is estimated to be approximately 1 000 horses per year. The exports are mainly warmblooded and coldblooded trotters and English thoroughbreds. The number of horses slaughtered at abattoirs in Sweden is approximately 4 000 (Swedish Board of Agriculture, 2012b).

Income/gambling

It is estimated that the annual turnover of the horse sector is around SEK 20 billion, of which SEK 10 billion can be attributed to gambling. As a comparison, the furniture chain IKEA has an annual turnover of 7 billion in Sweden. Furthermore, it is estimated that an additional SEK 10–26 billion is generated in annual turnover as an indirect influence on the economy (Johansson *et al.*, 2004).



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Environment and the equine sector - issues and legislation

In a survey conducted in 2010, the results showed that more than half of all horse keepers keep their horse manure on concrete slabs. This also goes for the subgroups riding schools, horse riding business and A-trainers (professional trainers) in trotting and gallop. About 15% of the horse keepers in Sweden keep their manure in a container/wagon or similar while the proportion is more than twice as large for the sub-groups. Most notable is that about a quarter of the horse keepers keep their manure on fields other than farmland. Other ways to store manure mentioned were manure pit and muckheap. Furthermore, the manure is also placed in sacks, on pallets, on tarpaulin and as mulch (Swedish Board of Agriculture, 2012a).

In general, about 60% of the Swedish horse keepers spread the horse manure on their own land. Around half of the riding schools, pony trekking businesses and A-Trainers in trotting and gallop seem to have agreements with neighbouring farmers who take care of their manure and for one-third the manure is taken care of by another farmer. Compost and soil improvement are indicated as other ways to use the horse manure. Some mention that the manure is processed and used for own use (Swedish Board of Agriculture, 2012a).



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The Baltic Project area is located within an environmentally sensitive coastal area and environmental issues are a high priority. In the equine sector, horse manure issues, *e.g.* storage, handling, use, sale and transfer of manure, are challenging environmental problems which should be focused on in the coming work packages.

The foundation of Swedish environmental legislation is the Swedish Environmental Code <http://www.regeringen.se/sb/d/108/a/1348>. The purpose of the Swedish Environmental Code is to promote sustainable development which will assure a healthy and sound environment for present and future generations. The Code is a legislative framework based on a number of fundamental principles permeating international environmental protection and resource management. These include the "precautionary" principle, the "polluter pays" principle, the "product choice" principle and principles governing resource management, natural cycles and appropriate siting of industrial (and other) operations and remedial measures.

The Code is supplemented by ordinances issued by the government, and regulations pursuant to acts and ordinances are issued by government agencies. To facilitate interpretation of the set of regulations, the government agencies also publish guidance. Like other EU member states, Sweden is subject to EU legislation and is obliged to incorporate EU regulations and directives into its national legislation. Sweden is also a contracting party to some 40 international conventions and agreements on environmental protection and resource management. Some of these are regional, covering parts of Europe; others are global.

The main environmental legislation in Sweden concerning the horse sector consists of the following laws, directives, ordinances and regulations: 1) Environmental Code, 2) Ordinance concerning environmentally hazardous activities and the protection of public health, 3) Ordinance on environmental consideration in agriculture, 4) Nitrate directive, 5) Water directive, 6) Swedish guidance on storage and spreading of manure, 7) Regulation on environmental consideration in agriculture as regards plant nutrients,

8) Ordinance on inspection and enforcement according to the Environmental Code, 9) Ordinance on self-inspection by operators, 10) Ordinance on animal by-products, 11) Ordinance on fees for examination and supervision under the Environmental Code and the fees ordinance, 12) Regulations on the protection of the environment, in particular the soil, when sewage sludge is used in agriculture, 13) Regulations on consideration for natural and cultural values in agriculture, 14) Ordinance on environmental penalty charge, 15) The Planning and Building Ordinance, 16) The Land Code.

Safety and the equine sector - issues and legislation

The number of accidents with horses has increased as the number of horses in Sweden has increased. Horses are large animals with a typical flight instinct and they may be difficult to predict and manage. Every year, an estimated 13 000 injuries which require urgent medical attention are related to horses. More than half of the incidents were caused by falls from horses. A further approximately 700 personal injuries occur annually during working around and with the horses. Horses are involved in more than one-third of registered animal-caused accidents, with kicks and bites accounting for half of these accidents. Horse-related accidents involving children in agriculture are the largest accident group reported to LRF Insurance (Andersson, 2010).

During the years there have been some fatal accidents leading to human and economic losses. These accidents threaten the equine business as fatal accidents receive public attention through the media. Being perceived as dangerous is unhelpful for the economic growth of the sector. A major issue in this project is to prevent fatal accidents in the equine sector. Designing risk assessment and management tools is important for the horse sector.

In Sweden the occupational safety and health issues in general are regulated in the Work Environmental Act (SFS 1977:1160), in the Work Environmental Ordinance (SFS 1977:1166) and in several provisions

<http://www.av.se/inenglish/lawandjustice/workact/index.aspx>. There is no specific legislation regarding occupational health and safety in the horse sector. However, these issues are included in the provision *Working with animals* (SFS 2008:17) http://www.av.se/dokument/afs/afs2008_17.pdf (In Swedish).

The provision includes the following sections: 1) General requirements, 2) Buildings, 3) Knowledge, 4) Routines, 5) Allocation and transport of animals, 6) Tools, 7) Treatment of animals, 8) Specific requirements, 9) Working with cattle, 10) **Working with horses** and 11) Working with pigs.

The specific section in the provision *Working with animals* (SFS 2008:17) involves the following demands regarding horses:

§ 16 The work place area for trimming and shoeing must have appropriate lighting and temperature. The work place area must be draught-free and have non-slippery floors. The horse must be safely tied. There must be sufficient free space around the horse, so the person who shoes the horse is not in danger of being crushed. The work place area must be located so that the horse being shod will not be disturbed by passing horses or people.

17 § The work should be performed so that the risk of kicks and bites is avoided when manure is being removed from tie stalls and box stalls. Horses accommodated in box stalls should be tied during removal of manure.

§ 18 Equipment details should always be checked prior to riding or driving. They must be whole, adjusted and adapted to the horse and must have no severe wear and tear. Saddling and harnessing should be carried out in a safe manner.

§ 19 Only horses that are suited to the task should be used when students are being trained.

Possibilities and opportunities for development of the equine sector

On average, all of the 10 horse keepers, riding school owners, trotting and gallop trainers and farmers who had horses and who participated in a survey in 2010 saw opportunities to develop new businesses. Some had plans to develop new businesses in parallel with existing businesses and some mentioned that they were thinking about changing direction of the business. Examples of new parallel activities mentioned were arranging competitions, expanding with tourism where families can come and rent accommodation on the farm and spend time with the horses, riding for children, rehabilitation and handicapped riding, expanding with guest stables, manure recycling to bioenergy, selling of horse feed, breeding and rearing of horses (Swedish Board of Agriculture, 2012a).

Slightly more than one-third of the participants in the survey in 2010 saw potential for development within the existing horse business. Examples of the expansion of the existing horse business for riding schools and pony trekking businesses were to build more houses for indoor riding, acquire more horses, offer more riding lessons, acquire more land, improve the quality, create accommodation, rebuild tie stalls to box stalls, develop in order to conduct more competitions, more staff, create opportunities for more disability groups, build terrain track and build loose housing facilities (Swedish Board of Agriculture, 2012a).

Obstacles to development of the equine sector

Ten per cent of those who participated in the 2010 equine survey believed that no obstacles existed regarding development in the equine sector, while the majority believed that there were obstacles and these were mainly due to economic factors. About 30% mentioned high costs, low profitability and/or lack of funding, a weak market and difficulty in charging for products and services as obstacles to development in the equine sector. Almost as many mentioned deficiencies of various kinds that obstruct the development of equine sector, such as lack of opportunities within the facility, lack of good riding and bridleways, lack of land, lack of skilled labour, lack of service from veterinarians and farriers and lack of good horses. Furthermore, more than 10% mentioned obstacles in the form of regulation, supervision and enforcement, bureaucracy, environment, infrastructure, planning and other municipal issues (Swedish Board of Agriculture, 2012a).

Results of the round table discussions of the equine sector in Sweden

The horse sector today

The participants in the round table discussions claimed that the horse sector in Sweden is now on a downward trend, pointing out the decreased number of served mares. Regarding the horse businesses, it was felt that they need to streamline their business ideas, look for better locations (closer to customers) and the activities offered must be more adapted to customer needs and demands, such as diversified food production or different types of livery stables with more specialist services. In general, the participants believed that horse stables will have a lot of opportunities in the sector if they can keep up with the changes in the sector.



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The interest regarding keeping horses and attending riding sports was perceived to be decreasing and it was thought that there is a system change underway. The way to keep

horses in the future may not be the same as it used to be. People are not willing to sacrifice time and efforts to keep on with horses any more, people are getting older and there is limited recruitment of young people into the sector. The horse activities mainly take place in urban and periurban areas.

Challenges for the horse sector

The main challenge is to adapt the sector to the new time and attitudes. The driving forces in today's young adults are quite different compared with a couple of years ago. There are so many opportunities for young people regarding leisure activities, and the horse is competing with many other interests. According to the focus group members, the horse sector has not succeeded very well in attracting children and young adults.

Attitudes and motivation – what do young people want? What do they require? How do they want to spend their leisure time? It is important to identify these issues. Today it is generally becoming difficult to recruit young adults to engage in different associations and societies. Previously, people were queuing to attend lessons at riding schools and now the schools are forced to advertise for students. The general opinion in the horse sector regarding recruitment has been quite pragmatic, *i.e.* 'it will sort itself out'.

Four out of five horses in Sweden are privately owned and are not enrolled in businesses activities such as riding, trotting or galloping – they are leisure horses. It is important to note that these horses generate a huge amount of ancillary business, for example for feed producers, farriers, veterinarians, horse products, *etc.* Many private horse owners have economic resources and can afford and want to pay for services and products of different kinds. However, in a time of economic recession this might change – and if the group of young adult horse owners is declining, then this is really serious.

Ignorance and poor knowledge of horses is a huge problem within the horse sector, among private as well as professional horse owners and businesses. Another reflection among the members of the focus group is that the new generation of horse people has not been brought up with horses or animals in general. Earlier it was very common for almost all young girls to spend time in a stable, because family or friends owned or tended horses. Swedish society is moving towards a situation where neither the young nor the parents have a tradition of horses or animals. What will be the impact of this for the horse sector?

It was felt that entrepreneurs need to be more business-orientated from the very start. The sector needs to improve cooperation and coordination both within and outside the sector. The entrepreneurs must also establish networks and cooperate with other entrepreneurs in other industries. Sweden has to work with product branding of the

horse breeding sector (to demonstrate the qualities of Swedish horses and products). Furthermore, the profitability has always been a challenge, but during recent years the economy in the horse sector has been even more strained; the costs of veterinary treatment and transportation have increased significantly. Sweden also has strict legislation and regulations regarding *e.g.* animal welfare, infection control requirements and artificial insemination, which makes it more difficult to compete with other countries with lower standards and costs in these areas.

Participants in the discussions believed that the main task for the Equestrian Federation is to assist the local and regional associations/customers in how to keep horses. The regulatory demands are increasing and this means that another important task for the Federation is to help horse owners to interpret the comprehensive legislation, which is sometimes difficult to understand. The Federation also has an important role to play in helping horse businesses to develop, work and change their business ideas, which is a difficult task for many horse owners.

The sector needs to work intensively with both public and official attitudes to the horse sector. The horse sector is still considered to be frivolous, a luxury, a hobby/leisure activity, undeclared income, and little girls who pat horses. If companies are to be considered serious and credible, they must show that they are professional businesses. Finally, the horse sector is traditionally very poorly mechanised and the sector needs to have a re-think and be more rational and effective – young people do not want to work manually as in the past.

Environment

Horse manure is a major and costly problem for the sector. Many people spend large amounts of money getting rid of the manure. The manure should be recycled and it is important to find solutions for this, *e.g.* biofuel, biogas and fermentation systems or composting the manure to a soil amendment. This is an important problem to solve. Other environmental issues are that there is too little grazing land, large meadows are not grazed because neighbours are not willing to lease the land and of course the risk of nutrient leaching to water.

Results of the individual interviews with equine businesses in Sweden

Interviews were conducted with the owners of riding schools, professional trotting and gallop stables and private horse enterprises specialising in different areas (*e.g.* horses for competition, outdoor loose housing stables).

Status, obstacles, possibilities and future expectations in the equine sector

According to the interviewees, riding schools are now experiencing difficulties recruiting children and young adults to riding lessons. Previously they had long queues, now they have to advertise in local papers and conduct other activities, such as visiting schools in order to attract pupils. The riding schools find it difficult to compete with other sport and leisure activities – children and young adults no longer hang around stables hoping for some extra hours with the horses. Adults are more steady customers and are willing to pay for shared lessons and even private lessons. Today it seems as if children and young adults want experiences, something new and exciting to happen every time and get bored by just traditional riding lessons.

The economy and profitability are difficult for riding schools, as has also been reported in the media and horse-related newspapers and magazines. The income is decreasing, municipalities do not give the riding schools subsidies for maintenance of *e.g.* the riding and outdoor facilities and stables. One of the riding schools was an association with a board consisting of mainly private horse owners. This could in some cases lead to conflicts of interests – on one hand running the riding school as a profitable business and on the other hand private economic interests. The declining number of pupils and the economy are the main obstacles for many of the riding schools today.

A small private horse owner had competition horses (gallop) which were housed year-round in outdoor loose housing stables with access to pastures. According to the horse owner, having the horses in this system had reduced the amount of daily labour, it was economically advantageous, the horses had less respiratory diseases and were calmer. Keeping horses in a more extensive system means that the daily work tasks can be kept to a minimum and the time saved can be spent on riding and training instead. However, this will also affect the number of employed workers at large stables, but rationalisation and mechanisation are needed if businesses are to survive.



It is possible to keep expensive, high performing competition horses in outdoor loose housing systems – both during summer and winter.

©Visited horse owner

That same owner also believed that even large numbers of horses could be kept in this kind of system and with reasonable profits. A lot of the economic problems among horse owners are related to large investment in expensive stables and equipment, which is actually not necessary for the horses and their welfare. In relation to this, the horse owner, who was also a veterinarian, believed that horses should be kept as horses (animals) and that a lot of today's horse owners have insufficient knowledge about the basic physiology and ethology of horses. This means that horses are often treated as 'indoor pets' with blankets, warm stables and no outdoor activity during rain and snow. This in turn increases the costs of keeping horses, perhaps to an unrealistic level.

Cross-border – None of the interviewees had collaboration or had any plans for collaboration with Finland and the Baltic countries. The Nordic and North European collaboration was mainly with Norway, Denmark, Germany, France, England and Ireland. Such collaboration mainly involved import of horses and gambling activities in trotting and galloping.

Gambling on horses is increasing in Sweden and professional trotting and galloping stables are experiencing an upward trend in their businesses. They feel optimistic about the future and believe that this type of business is quite stable (secure) as a future work place. The interviewees said *'we are content, we work hard and know that we have work tomorrow and next year'*. Some re-organisation will possibly occur in the near future, but this did not seem to concern them in particular. The professional trotting and galloping trainers hired stables and training facilities on the premises. The premises were run by a central unit that was responsible for the stable buildings and indoor and outdoor facilities (training and tracking courts, paddocks, pastures, manure handling and public arena). However, the individual trainers were responsible for their own activities, such as training, buying feed, daily care of the horses, farriers *etc.*).



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Legislation and regulations – manure and safety issues

Legislation and regulations were seen as constructive guidelines to ensure human and horse welfare, environmental and safety aspects and interviewees did not see them as obstacles to development in the sector. The interviewees used the local and regional authorities as advisors and did not regard them as antagonists but as competent partners for discussion and problem-solving. As one of the interviewees pointed out: *'we and the authorities want the same – the best conditions for the animals and the humans'* and *'there is a reason why we have legislation and regulations in Sweden'*. The interviewees believed that information on the legislation and regulations was easy to find on different websites or by personal contact with government officials in the local county or on a higher national level.

Manure handling is one of the largest environmental aspects in the horse sector. The legislation regulates how to handle, store and spread the manure. Often the manure is sold to neighbouring farmers for spreading on farmland. Other horse owners had contracts with companies to dispose of manure, but such disposal is associated with quite high costs. The manure at the interviewees' stables was mainly stored on concrete floor or in containers. Some years ago one of large stables had its own heating facility where the manure was used, but this facility was no longer in use because it required massive and expensive renovation. In the future, the owners hoped to sell the manure to a power company for district heating of private houses. The interviewees were all aware of the national safety regulations and thought about the issues during their daily activities and in planning for new buildings, facilities or just minor renovations. As an example, one of the horse owners believed that the outdoor loose housing system actually increased the safe handling of the horses. The larger businesses and riding schools worked systematically according to the national regulations regarding the work environment.

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General comments

Information about demographics, including statistics on the equine sector, differed between the participating countries (Finland, Latvia and Sweden). Furthermore, information was not easy to find, available or current and much of the statistical data was based on estimates because no reliable and up-to-date official statistics are compiled in the three countries. More recent and more reliable statistical data regarding the equine sector would be a useful tool for the sector in demonstrating its scope and opportunities for future development.

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