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## Understanding the Cost of Horse Ownership

Tracey Renelt, Extension livestock educator

Even though many consider horse ownership a hobby and a pleasure, there are costs associated with owning a horse. In fact, it has been said that the cheapest part of horse ownership is the initial purchase. With that in mind, potential horse owners need to be aware of these costs upfront.

### WHY DO YOU OWN OR WANT TO OWN A HORSE?

Potential horse owners need to define upfront why they want a horse and how they intend to enjoy and utilize the horse. For many people, equine ownership is for personal pleasure and enjoyment; for them, a horse is a “companion animal.” For others, horse ownership may mean the ability to participate in various equine competitions such as horse shows and rodeos. Or horse ownership may be a way for an adult to help a youth who is interested in youth development projects such as 4-H and FFA, or by helping them experience and learn the responsibility of owning an equine. Other reasons to own a horse are for a labor aid on a farm, or for ranch work such as working livestock. Whatever the reason, potential horse owners need to be upfront with themselves about why they want a horse, and they need to understand the responsibilities and costs of horse ownership.

### BUDGETING AND UNDERSTANDING HORSE-OWNERSHIP EXPENSE

There are three categories of expenses incurred while owning and properly caring for a horse: 1) operating or variable expenses, 2) ownership or fixed expenses, and 3) opportunity costs.

### I. Operating or variable expenses

Operating or variable expenses are mostly cash expenses incurred on a daily or periodic basis, such as feed, farrier, veterinary, bedding, utilities, boarding fees, repairs, and miscellaneous expenses.

**Feed** Feed expense will vary depending upon the equine’s stage of life and what the owner is doing with the horse. For example, a horse that is growing, lactating, or being utilized on a daily basis will require a different diet to meet daily needs versus a horse that is mature and only being ridden on occasion. The basic feed ingredients of hay, grain, salt, vitamin/minerals, and water need to be considered. We need to determine the cost and quantity needed to meet the daily demands of a diet. An example scenario is presented on page 4.

The example diet on page 4 is for a mixed ration of hay, grain, mineral & salt for a 1,100-lb. mature pleasure horse. On an as-fed basis, feed would be 20 lbs. of hay, 4 lbs. of 12% crude-protein sweet feed, and the horse would have free-choice access to a horse mineral block and salt. The average daily consumption rate for most horse mineral blocks is around 3–4 oz./day. Utilization of grains in the diet to meet energy needs will depend upon forage quality, daily work level of the horse, age, growth, and, possibly, lactation requirements of mares.

**Farrier** It has been said that a horse is only as good as its hoof. Horses are typically trimmed every 6 to 8 weeks, depending upon hoof wear. It is essential to maintain a horse’s hooves and to plan for this accord-

ingly. Besides regular trimmings, a horse may need shoes, and this will depend upon what the horse is being utilized for and, possibly, any pre-existing hoof conditions. The shoes need to be reset periodically.

**Veterinary or health care** Veterinary or health care for a horse includes annual vaccination and multiple de-worming expenses, along with possibly having the horse's teeth floated. Core vaccinations, according to the American Association of Equine Practitioners, should include rabies, West Nile virus, Eastern and Western equine encephalomyelitis, and tetanus. Additional vaccines may be needed for horses that travel or are in foal, or if there are special circumstances such as Potomac Horse Fever, leptospirosis, or anthrax. Horse owners should consult with a veterinarian to determine a horse's specific vaccine needs. Frequency of worming will depend upon both the husbandry of the horse(s) and the husbandry of other horses they are housed with. Horse owners want to achieve a balance of keeping parasites at bay and not developing a parasite resistance. Most owners de-worm on a quarterly basis and will target wormers that control acaroids, tapeworms, strongyles, and bot larvae. Consultation with a veterinarian as to the timing and product used is recommended in your parasite-control program.

**Bedding** Bedding needed will depend upon whether the horse is stalled daily or is in a paddock or pasture on a full-time basis or only part of the year. A frequently utilized bedding is wood chips. One 50-lb. bag of wood chips will last approximately 1 week if the stall is maintained daily. Avoid wood chips that are produced from walnut trees, due to toxicity to horses.

**Utilities** Utility expenses will also vary. Cost consideration should be given for purchasing water and electricity for maintaining a water heater, lights, or an electric fencer for a hot wire.

**Boarding** Is there a boarding fee? If so, it is important to know the difference and costs associated with rough board vs. full board. Rough board requires a horse owner to feed and clean their own horse's stall; these services are covered under full boarding. In addition, boarding stables may provide access to amenities such as indoor stalls, indoor and outdoor riding arenas, and wash racks, but these do come with a price tag.

**Repairs, fuel, and maintenance** Repairs, fuel, and maintenance of tack, equipment, and facilities should also be built into the budget. If using an implement to obtain or haul feed or remove manure, fuel expense needs to be budgeted. In addition, things wear out, break, and/or need to be replaced, so expect expenses for some daily use items (e.g., boards tack and equipment such as brooms, shovels, brushes).

**Miscellaneous expenses** Miscellaneous expenses are such things as fly control, participation or entry fees, registration fees, lessons, hauling, or other unforeseen expenses.

## **II. Ownership costs or fixed expenses**

Ownership costs or fixed expenses are set, allocated expenses for insurance, taxes, interest resulting from purchases of the horse, equipment, buildings, and land and machinery, along with the depreciable expense of these items.

**Facilities** At a minimum, a horse owner will need to provide the horse some protection from the elements. If a horse owner is not boarding their horse, a shelter may be in the form of an open-front shed in a fenced area. The shelter or a barn should be a minimum of 10 ft. x 12 ft., with a minimum ceiling height of 8 ft. for a light-breed horse. Draft animals will require more space. In addition, a storage area 8 ft. x 10 ft., or 80 sq. ft., should be considered for tack and feed.

How much pasture does one need for one horse weighing about 1,100 lbs.? Production levels of pastures vary greatly in South Dakota, and prospective horse owners will want to check with their local county Extension Service to determine the average pasture productivity in their area. In addition, prospective horse owners will want to use the general rule of thumb of "take half and leave half," so that their pasture is not overgrazed and remains viable. Renting pasture is an added expense and should be considered in the operating expense category under the feed expense. Otherwise, if using purchased land, it is an ownership expense.

If a person is going to drylot a horse for an entire year, how much room is needed? A minimum of 25,000 sq. ft. of pen space is required per animal, which equates to about 0.6 of an acre/horse. A corral size of 50 ft. x 50 ft. (2,500 sq. ft.)/animal is recommended for the animal.

Table 1 shows a breakdown of facility expenses. This example only shows the costs of materials. Many horse owners build their pens and sheds so that no labor charges are included. It is assumed water is available at the site.

**Table 1. Facility expense based on cost of materials only.**

Pen Space	25,000 sq. ft. (100 ft. x 250 ft.) high-tensile fence 700 ft. @ \$1.75/ft.	\$1,225
Corral	50 ft. x 50 ft. 10-ft. portable panels 200 ft. @ \$7.50/ft.	\$1,500
Shed	10 ft. x 12 ft. 120 sq. ft. @ \$ 15.00/sq. ft.	\$1,800
Storage	(tack & feed) 8 ft. x 10 ft. 80 sq. ft. @ \$15.00/sq. ft.	\$1,200
TOTAL		\$5,725

**Equipment** Upfront, owners should know that there is a minimum amount of equipment they will need to purchase to have full enjoyment of their horse and to maintain the basic health of the horse. These items can be purchased either new or used. A breakdown of these items is given in table 2 and is stated as new average purchase price unless otherwise stated.

**Table 2. Basic horse-equipment-purchase expenses.**

Saddle (used)	\$600
Bridle	\$75
Pad	\$70
Blanket	\$25
Halter	\$20
Curry comb	\$8
Hoof pick	\$3
Brush	\$8
Lead rope	\$10
Buckets	\$13
Manure fork	\$22
Shovel	\$25
Wheelbarrow	\$75
Pitchfork	\$25
TOTAL	\$979

**Insurance, taxes, other** Prospective horse owners will also need to determine the additional costs associated with horse ownership if their personal insurance expenses increase due to liability, facilities, and possibly even insuring the horse itself.

There may also be additional property taxes paid due to the enhancement of existing facilities and additional building(s) on the property.

### III. Opportunity costs

Opportunity costs are the lost returns from the money spent on horse ownership; instead of investing the money and growing personal assets, the money is used to pay for horse-ownership expenses. If a person is spending money buying tack and equipment, that person is not putting that money in savings or growing a retirement fund.

### SUMMARY

Before considering purchasing a horse, be upfront and understand that responsible horse ownership is a commitment that takes time and money. Not only is there the initial purchase price of the horse, but there are continuous operating expenses, initial ownership or fixed expenses, and, lastly, opportunity costs that need to be evaluated before becoming an equine owner.

### RESOURCES

- Freeman, D.W., O.L. Walker, B.J. Johnson. 2004. "First Time" Horse Ownership: Selecting Horses and Budgeting Horse Interests. Oklahoma Cooperative Extension Service. Bull. ANSI-4004.
- Johnson, E.L., J. Holt, R.S. Sand. 1999. Horse Industry Handbook. Pages HIH 120: 1-6. Cost and Responsibilities of Ownership. American Youth Horse Council, Pueblo West, CO.
- Russell, M.A., J.T. Potter. 1999. Horse Industry Handbook. HIH 110: 1-5. Should I Buy A Horse. American Youth Horse Council, Pueblo West, CO.
- University of Maine Cooperative Extension. 2008. Equine Facts: Guide to First-Time Horse Ownership. Accessed Aug. 13, 2008. <http://www.umext.maine.edu/onlinepubs/htmlpubs/1004.htm>.

An example budget scenario is presented in table 3. The scenario shows the opportunity and ownership expenses for a 1,100-lb. mature pleasure horse that is in a dry lot (not pastured) and that is not boarded out, with the horse paid in-full upon purchase, and no loan

needed to secure the ownership expenses upfront.

Complete the “Your Value” column for an accounting of your individualized potential or actual expenses.

**Table 3. Yearly opportunity and ownership expenses for a 1,000-lb. pleasure horse.**

<b>Expense Type</b>	<b>Estimated Value</b>	<b>Your Value</b>
<b>OPERATING/VARIABLE</b>		
<u>Feed</u>		
Hay (20 lbs./day @ \$100/ton)	\$365.00	
Sweet feed (4 lbs./day @ \$10/50 lbs.)	\$292.00	
Mineral (1.8 blocks @ \$26.75/block)	\$48.00	
Salt (3 @ \$5/block)	\$15.00	
<u>Farrier</u> (6.5 trims/year @ \$27/trim)	\$176.00	
<u>Vet</u>		
Vaccinations	\$42.45	
Wormings (4)	\$46.00	
Teeth float	\$60.00	
<u>Bedding/Chips</u> (1 bag/week @ \$5 bag)	\$260.00	
<u>Utilities</u> (\$0.25/day water + lights @ \$0.20/day)	\$165.00	
<u>Boarding</u> (none vs. rough vs. full)	\$0.00	
<u>Repairs and maintenance</u>	\$200.00	
<u>Other</u>	--	
<b>TOTAL OPERATING/VARIABLE EXPENSE</b>	<b>\$1,669.45</b>	
<b>OWNERSHIP/FIXED</b>		
	<b>Estimated Value</b>	<b>Your Value</b>
<u>Depreciation</u> (buildings, fences – 10 yrs; tack – 7 yrs)	\$712.00	
<u>Insurance</u> (horses, trailer, farmliability, other)	\$200.00	
<b>TOTAL OWNERSHIP/FIXED EXPENSE</b>	<b>\$912.00</b>	
<b>TOTAL ESTIMATED YEARLY EXPENSE</b>	<b>\$2,581.45</b>	



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