



# Forage Market in the Southern US

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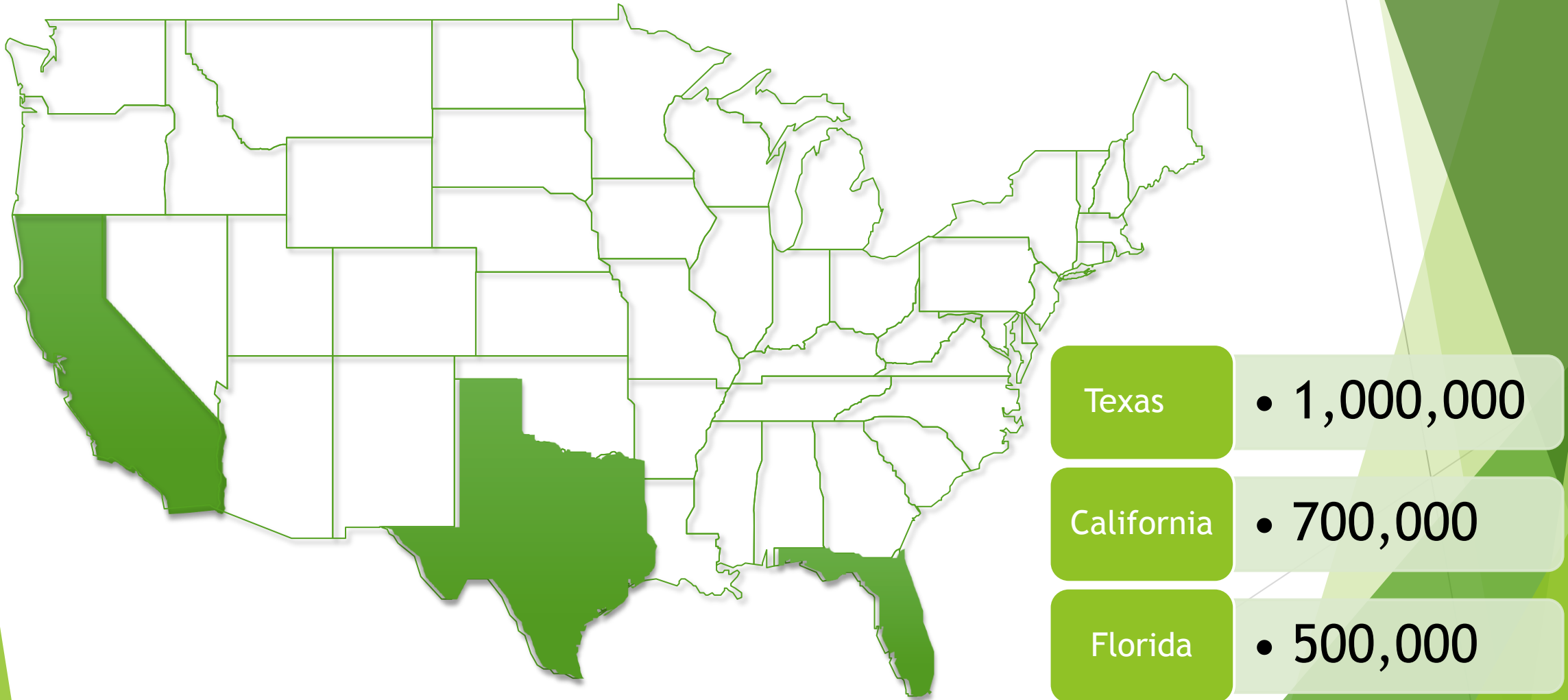
President - Southeast Hay Distributors, Inc.  
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# Primary Consumers of Forage in Southern US



- ▶ Horses
- ▶ Cattle
- ▶ Goats
- ▶ Small Animal Pets

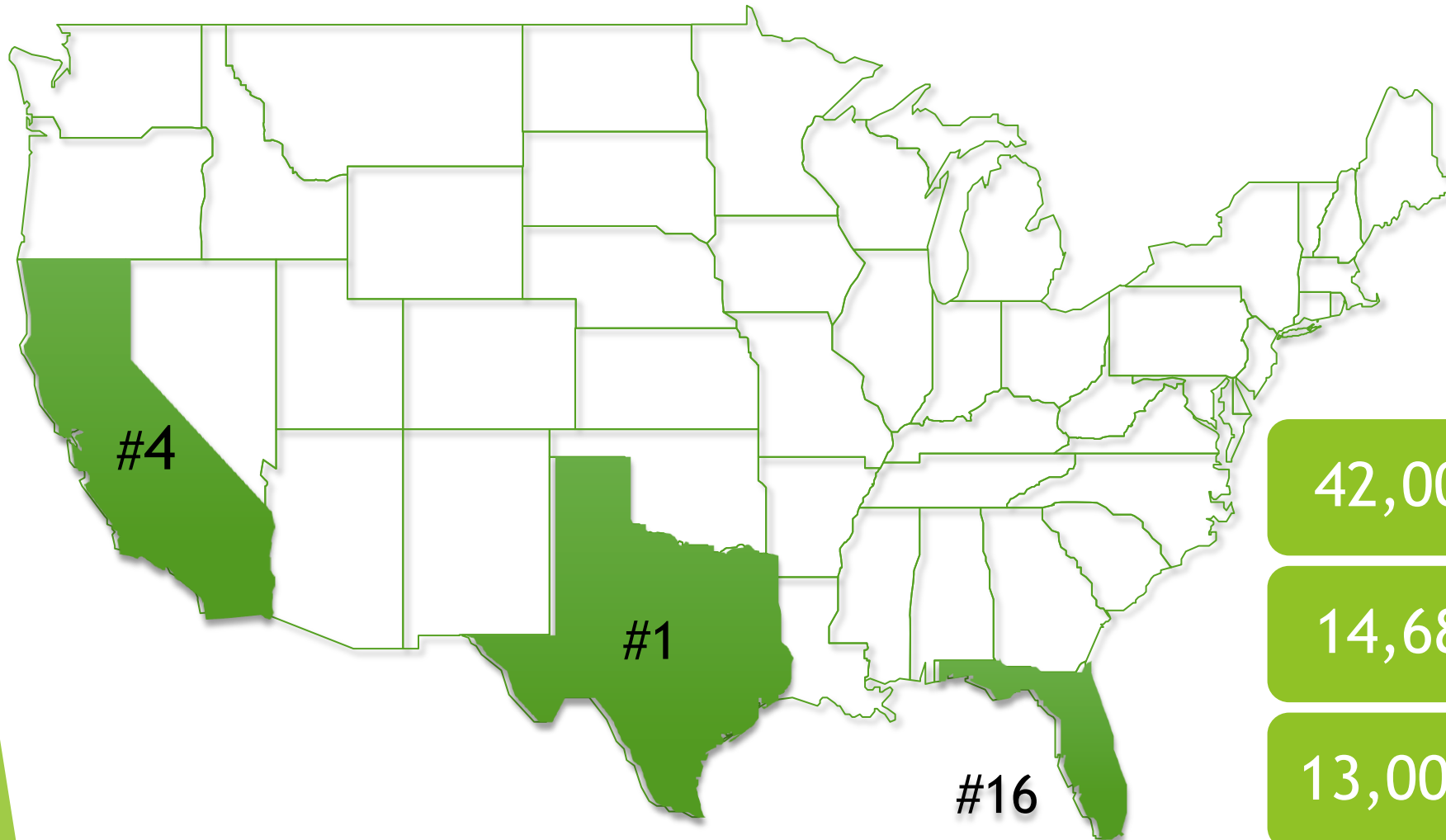
# Top Three States By Population (Horse)



\*American Horse Council Foundation 2005 National Economic Impact Study



# Cattle / Calf Population



42,000

• Deseret Cattle & Citrus  
- # 1

14,680

• Lykes Bros. Inc - # 4

13,000

• Seminole Tribe - # 5

# Overview of Florida Horse Industry

- ▶ \$6.5 billion per year economic impact on the gross domestic product, when including spending by industry suppliers and employees.
- ▶ Industry produces goods and services valued at \$2.2 billion annually.



## Race



## Show



## Polo



## Ranching\*

\*Photo Credit: <http://oldageisnotforsissiesblog.com>

# Crop Production in Florida



- ▶ 9.5 Million Acres of commercial farm land in use
- ▶ #2 US production state in value of vegetable production
- ▶ #1 US production state in value of oranges, tomatoes, watermelons, grapefruit, fresh market snap beans, fresh market cucumbers, and squash
- ▶ #2 in greenhouse products, strawberries, bell peppers, sweet corn, spring potatoes, peanuts, tangerines, and avocados
- ▶ Estimated value of hay production: \$133 million

# Pasture & Hay Production in Florida

## Pasture grass

- Bahia grass:

- ▶ Good, general use pasture grass that can accommodate heavier grazing than other grasses
- ▶ Produces more forage in summer than winter
- ▶ Nutritive value lowest during summer months

Baled forage - Improved Hybrid Bermudagrass: Coastal, Tifton-44, Jiggs, and Tifton 85

- ▶ Performs well when hay is harvested every four to five weeks
- ▶ Responds quickly to fertilization
- ▶ Struggles in areas with poor drainage / high water saturation

# About the Horse Industry & Ownership Stats.

## Equine Facts

- ▶ Horses will consume about 1.5-2.5% of their body weight in dry forage per day
- ▶ Average 1000LB horse requires 15-15LB per day.
- ▶ Hind gut digesters - Poor quality, mature, high fiber, cellulosic materials will not digest easily.
- ▶ US Horse Industry has a direct \$39b per year impact on the US Economy
- ▶ US Horse Industry supports and equivalent of 1.4mil full-time jobs

## US Equestrian Membership Statistics\*

- ▶ Average Age: 38 Years Old
- ▶ Household income: Membership \$134,500 (2002) Compared to US median \$51,759 (2014 US Census Bureau)
- ▶ Average Net Worth: 955,400 (US)

\*US Economic Impact of the Horse Industry in the United States



# Driving Force Behind Quality Forage Demand

- ▶ Average sales price at Feed Stores in South Florida: \$500-800/ US Short Ton  
CONSUMERS DEMAND QUALITY FOR THE PRICE!
- ▶ Whole food movement = Heightened awareness of nutritional requirements
- ▶ Performance horses require absolute best source of nutrition

## ENVIRONMENT

- ▶ Drought during summer
- ▶ Little to no pasture for grazing in higher population areas: Majority of horse farms that purchase hay that is produced from out of state have generally have a massive deficit of pasture land and require an outside source of forage.
- ▶ Where pasture is present, many farms fail to remain active in pasture improvement.
- ▶ Overstocking: Most fail to factor in the stocking rate of pastures - or the amount of land required for a horse to graze.
- ▶ During Florida summers, one horse should have a minimum of 1.5 acres to graze on if rotation grazing between more than one pasture is not an option. During winter months, an outside hay source is required.







# Forage In Demand

- ▶ Forage by consumer:
  - ▶ **Show horses**
    - ▶ 1<sup>st</sup> and 2<sup>nd</sup> Timothy
    - ▶ 1<sup>st</sup> Cut timothy/alfalfa (heavier timothy)
  - ▶ **Polo horses**
    - ▶ Orchardgrass/alfalfa - 1<sup>st</sup> cut
    - ▶ Timothy/alfalfa - 2<sup>nd</sup> cut
    - ▶ Alfalfa
  - ▶ **Race horses**
    - ▶ 1<sup>st</sup> cut Timothy
    - ▶ Alfalfa
  - ▶ **Recreational**
    - ▶ Coastal Bermudagrass
    - ▶ Timothy/alfalfa mixes



# Bale Format & Packaging



Two Tie



Three Tie



Compressed  
(small bale)



Bundled



Palletized  
/Shrinkwrapped



# Transportation

- Intermodal
- Van / Refrigerated trailer (Over the Road)
- Train car service

# Distribution

- Producer > Consumer
- Producer > Feed store > Consumer
- Producer > Wholesaler/distributor > Feed Store > Consumer
- Producer > Broker > Consumer
- Producer > Broker > Feed Store > Consumer
- Producer > Broker > Wholesale/distributor > Feed Store > ...



# Trade With Confidence

## GOVERNMENT + PRIVATE SECTOR INSURANCE

- ▶ Export Development Canada
- ▶ EXIM (USA)
- ▶ COFACE
- ▶ Euler Hermes

## BENEFITS

- ▶ Account Underwriting Included with policy
- ▶ 90% or greater coverage on A/R receivables
- ▶ Government backed policies are generally pay-as-you-go with no annual premium