President's Letter

Thank you for allowing me to serve in this wonderful organization, and what an exciting time to be in a leadership role with the AHC.

In 2017, the AHC Board set our strategic direction for the near future by defining organizational objectives. We will strengthen our governance structure to ensure effectiveness and engagement of all stakeholders. We look to convene the industry to share knowledge and foster unity and collective action. We will explore emerging topics and continue to amplify our resources. And we will expand understanding and appreciation for the industry by promoting the National Economic Impact Study and raising our voice on issues important to us all.

The enclosed report outlines some achievements and progress in selected key areas over the past year and some extraordinary resources that made them possible. In addition, the report provides an update on the status of our financials. I'll add that we are very pleased that our quarterly webinars were widely attended at AHC was invited to speak at over 20 conferences/events in 2017. Our committees continued to keep on top of issues, legislations, and policy that impact your work and lives. And our new internship program proved that the future of the industry is bright by identifying, supporting and spotlighting some young great minds.

We have a busy year in front of us and I am challenging each and every one of you to take this year to truly focus on our mission to advocate for the social, legislative and economic interests of the equine industry. Further, I challenge you to find ways to encourage others to support the AHC and the work we do every day to keep this industry viable, sustainable and strong. It is our responsibility to find ways to educate those around us about the knowledge, benefits and value that we bring to the greater community and economy.

From myself, our Board Officers, Board of Trustees and great staff, thank you for your membership and support.

Sincerely,

[Signature]

Julie M. Broadway, CAE
President
Board of Trustees

Dr. Jerry Black
Chairman
American Association of Equine Practitioners

James Gagliano
Vice-Chairman
The Jockey Club

Dr. Glenn Blodgett
American Quarter Horse Association

Marilyn Breuer-Bertera
United States Trotting Association

Craig Huffines
Secretary
American Quarter Horse Association

Matt Iuliano
Treasurer
The Jockey Club

Dr. Tom Lenz
American Association of Equine Practitioners

Don Marean
United States Trotting Association

Dr. Richard Mitchell
United States Equestrian Federation

Chrystine Tauber
United States Equestrian Federation

Bill Thomason
Keeneland Association

Johnny Trotter
American Quarter Horse Association

Alex Waldrop
National Thoroughbred Racing Association

Russell Williams
United States Trotting Association

Joe Wilson
Thoroughbred Racing Associations of North America
AHC Staff

Julie Broadway
President

Bryan Brendle
Director, Policy & Legislative Affairs

Cliff Williamson
Director, Health & Regulatory Affairs

Ashley Furst
Director of Communications & Director, Unwanted Horse Coalition

Dennis Martinez
Office Administrator

Advisory Committees

Animal Welfare

Dr. Tom Lenz, American Association of Equine Practitioners, Chairman
Aleece Ellis, Friends of Sound Horses
Alison Limberger, American Paint Horse Association
Beth Podhajeczi, Carriage Operators of North America
Chuck Smith, National Cutting Horse Association
David Foley, American Association of Equine Practitioners
David Pruett, Walking Horse Owners' Association of America
Dr. Jerry Black, AEEP, AHC Board of Trustees
Robert Puetz, United States Polo Association
Gary Carpenter, National Reining Horse Association
Jed Pugsley, Professional Rodeo Cowboys Association
Kathy Aim, Professional Association of Therapeutic Horsemanship
Lee Sackett, Coalition of State Horse Council/Wisconsin Horse Council
Nick Kohut, American Endurance Ride Conference
Rob Burk, United States Eventing Association
Dr. Steve Schumacher, United States Equestrian Federation
Ward Stutz, American Quarter Horse Association

Health & Regulatory

Dr. Richard D. Mitchell, Fairfield Equine Association (USEF), Chairman
Dr. Craig Barnett, Merck Animal Health
Dr. Duane Barnett, American Endurance Ride Conference
Dr. Jerry Black, AEEP, AHC Board of Trustees
Jed Pugsley, Professional Rodeo Cowboys Association
Jill Wagner, GlobalVetLINK
Joe Santarelli, Mersant International
Keith Kleine, American Association of Equine Practitioners
Dr. Nat White, American Association of Equine Practitioners/EDCC
Dr. Peter Timoney, The Jockey Club, University of Kentucky
Dr. Scarlett Gotways, Brook Ledge Horse Transportation
Ward Stutz, American Quarter Horse Association

Resources:
Dr. D. Paul Lunn, North Carolina State University
Dr. Linda Mittel, Cornell University Veterinary School
Katherine Flynn, California Department of Agriculture

Horse Show

Gary Carpenter, National Reining Horse Association, Chairman
Bill Moroney, United States Equine Federation
Billy Smith, American Paint Horse Association
Bud Wills, Coalition of State Horse Councils/Pennsylvania Equine Council
Darrell Blke, Pinto Horse Association of America
Glenn Petty, Arabian Horse Association
Pete Kyle, American Quarter Horse Association
Stephan Hienisch, United States Dressage Federation
Steve Taylor, Appaloosa Horse Club
Tommy Hall, Walking Horse Owners' Association of America

Racing

Alex Waldrop, National Thoroughbred Racing Association, Chairman
Alan Foreman, Thoroughbred Horsemen's Associations
Bill Thomason, Keeneland Association
Chauncey Morris, KTA/KTOB
Dan Metzger, Thoroughbred Owners & Breeders Association
David Foley, American Association of Equine Practitioners
David Richardson, Maryland Thoroughbred Horsemen's Association
Edward J. Martin, Association of Racing Commissioners International
Eric Hamelback, National HBPA
Hank Zettlin, Thoroughbred Racing Associations
Janet Vanbeibber, American Quarter Horse Association
Joe Wilson, Thoroughbred Racing Associations
Kathleen Anderson, Equine Veterinary Care, AAP
Kat Ross, Coalition of State Horse Councils/Kentucky Horse Council
Lonny Powell, Florida Thoroughbred Breeders
Matt Juliano, The Jockey Club
Mike Tannor, United States Trotting Association
Moira Fanning, Hambletonian Society/Breeders Crown
Tom Luchento, Harness Horsemen International

Recreation, Trails and Public Lands

Jim McGarvey, Back Country Horsemen of America, Chairman
Monica Chapman, American Endurance Ride Conference
Holly Groshek, Equine Land Conservation Resource
Craig Hufferes, American Quarter Horse Association
Randy Rasmussen, Back Country Horsemen of America
Dee Dee Miller Sale, Walking Horse Owners' Association of America
Gwen Wills, Coalition of State Horse Councils, Pennsylvania Equine Council

Membership Task Force

Gary Carpenter, National Cutting Horse Association
Christy Landwehr, Certified Horsemanship Association
Kevin Price, United States Hunter Jumper Association
Michael Tanner, United States Trotting Association
Theresa Woods, United States Pony Club

Horse Protection Act Working Group

David Pruett, Walking Horse Owners Association of America
Gary Carpenter, National Cutting Horse Association
Glenn Petty, Arabian Horse Association
Dr. Jerry Black, American Association of Equine Practitioners
Sherry Cole, American Morgan Horse Association
Dr. Tom Lenz, American Association of Equine Practitioners
Policy & Legislative Issues

Equine Assisted Therapy (EAT)

Supported $5 million in increased funding for EAT through Fiscal Year (FY) 2018 appropriations legislation. This provision is intended to increase the availability of funds at the Department of Veterans’ Affairs to support EAT within the context of the Adaptive Sports program.

Tax Reform

Advocated for key provisions in the Tax Cuts and Jobs Act of 2017

- Tax rate for corporations, from 35% → 21%
- Tax breaks for racehorses in the form of bonus depreciation, from 50% → 100%
- Doubling of the exemption thresholds for the estate tax

IRS "Winnings" Rule

The Internal Revenue Service (IRS) released final rules to reform federal withholding and reporting requirements for pari-mutuel winnings. The new rule arises from a rule-making initiated in late 2016, on which the equine industry submitted comments, laying the groundwork for new flexibility and reduced tax burdens.

Recreation Not-Red-Tape (RNR) Act

Legislation that would increase the role of volunteers in the maintenance of lands managed by the Bureau of Land Management (BLM), and streamline the process for necessary permits to ensure maintenance on trails is completed.

Three-Year Depreciation

Industry continues to advocate for extension of this important incentive for 2017 and beyond. Budget bills and so-called “continuing resolutions” open many opportunities and legislative vehicles to carry this valuable measure for industry.

Guest Worker Visas

AHC continues to lobby for “cap relief” within the H-2B visa program, and a reformed agriculture visa program that will address the growing labor shortage in the horse industry.

Prevent All Soring Tactics (PAST) Act

AHC supports Rep. Yoho’s (R-FL) and Rep. Schrader’s (D-OR) bipartisan leadership in sponsoring the PAST Act (H.R. 1847). The legislation has won bipartisan co-sponsorship from 60% of the House of Representatives. AHC’s advocacy in the Senate includes a focus on Sen. Mike Crapo (R-ID) and Mark Warner (D-VA), among others, as champions for a companion bill.
Health & Regulatory Issues

Equine Commodity Stakeholder Meeting

Attended byAPHIS Administrator Kevin Shea and Dr. Jack Shere, USDA’s Chief Veterinary Officer. 15 equine industry leaders shared 25 key issues of importance. Both Shea and Shere expressed willingness to collaborate with the industry to address the issues.

Electronic Logging Device (ELD) and Commercial Drivers License (CDL)

Compliance with transportation regulations by the horse industry was called into question this year. AHC staff fielded thousands of calls and emails from concerned horse enthusiasts in regards to CDL and ELD. AHC was able to leverage congressional support to raise awareness of the horse industry with DOT and the unique nature of its transportation needs. AHC staff worked with the Department of Transportation to clarify which segments of the industry need to comply with current regulations and began developing strategies to address concerns.

Import Concerns

AHC staff discussed the issues facing shippers in the United States in respect to importing and exporting horses with the USDA throughout 2017. Several priority concerns were highlighted, including the lack of transparency within USDA regarding decision making process, lack of USDA field staff with sufficient expertise and the importance of collaboration between the industry and field staff. New staff, new procedures and improved stakeholder outreach has addressed many of these concerns.

Equine Disease Communications Center

The number of alerts has doubled in the last year. There has been a steady increase in the number of email recipients and Facebook followers since starting the EDCC. Forty three states and four Canadian provinces have submitted reports. The number of attending veterinarian submissions has also increased. A submission form as well as a website submission have been added to the website to make submission easier.

A news page has been placed on the website. The will provide a site for new research and industry news. Currently a summary of Merck Animal Health’s Biosurveillance report is posted on the site every two weeks. This is a resource for tracking disease prevalence in regions of the country.

2017 Diseases Reported:

- Coronavirus: 2 outbreaks
- Eastern Equine Encephalitis: 59 cases
- Equine Herpesvirus: 26 outbreaks
- Equine Infectious Anemia: 24 quarantines
- Equine Influenza: 1 case
- Pigeon Fever: 1 quarantine
- Potomac Horse Fever: 29 cases
- Rabies: 2 cases
- Strangles: 51 outbreaks
- West Nile Virus: 209 cases

For states where diseases were reported, please contact the EDCC directly.

2017 Numbers:

315 alerts posted
404 outbreaks reported
Communications & Membership 2017
Year in Review

Communications Data

Social Media

13,167 followers

Most popular post
AHC efforts to Address ELD Mandate

33,687 people reached

1,461 followers

140,864 total tweet impressions

Press/Emails

Press Releases: 37
Press Coverage: 891 articles

Washington Updates: 32
General AHC Member Notices: 38

Membership Data

129 Organizational Members
4 organizations

656 Individual Members
90 Individuals

Website

108k sessions

31% increase

227,087 page views

ELD, CDL page most visited with 30,682 views
Strategic Plan
Progress Report

Marketing & Communications
Objective: Communicate the economic and social benefits of the equine industry to the government, convey the value and benefits of the AHC to the industry, and promote the benefits of horse-related activities to the public.

- Develop comprehensive communication plan to highlight the positive impact of the industry on the U.S. economy, using the 2017 Economic Impact Study and other relevant data.
- Develop a communications plan to encourage Individual and Organizational support for the AHC and strengthen member awareness of the benefit of the AHC.
- Explore the role and direction of the Marketing Alliance (Time to Ride); determine metrics for goal achievement and assess sustainability of funding.

Governance
Objective: Review the AHC's governance structure to ensure effectiveness in recruitment, collaboration, and engagement of all industry stakeholders.

- Appoint a subcommittee to address bylaws for currency and relevance; examine both Board of Trustee and Committee structure policies.
- Examine the relationship/role the AHC has with State Horse Councils to leverage relations on legislative and regulatory matters.
- Develop processes that will strive to achieve consensus on key legislative and regulatory objectives among board and committees.
- Identify and develop plans to address key logistical elements of timing of meetings, format, location and involvement of sponsors (board, members and industry)

Health & Welfare
Objective: Advocate for the health and well-being of horses by serving as a forum for discussion on welfare issues and sharing best practices.

- Review and revise, as needed, the AHC Welfare Code of Practice to ensure relevancy and current philosophies.
- Explore AHC’s role in addressing the wild horse and burro issue.
- Explore avenues to improve or refine the import/export of horses across International borders.
- Research the industry’s various positions on the horse processing issue to determine the appropriate role for the AHC.
- Review the role of the UHC in promoting reliable retirement, retraining and rehoming as well as humane euthanasia where appropriate.

Advocacy
Objective: Be a trusted voice for the horse industry to the public and government authorities.

- Synthesize and promote consensus-based AHC legislative and regulatory objectives.
- Identify and develop new methods to leverage membership for congressional advocacy.
- Develop new approaches to educate membership and others about issues facing the horse industry. Better leverage the Annual Meeting as a venue to educate members on emerging legislative and/or regulatory issues facing the horse industry.
- Facilitate opportunities to organize coalitions around legislative issues to increase influence.

Identify ways to improve the public perception of horse care, utilization and welfare.
American Horse Council
Financial Snapshot

**Fiscal Year 2017 Financials**
Summary for the American Horse Council (AHC), American Horse Council Foundation (AHCF), and Committee On Legislation and Taxation (COLT)

**Total Revenues:**
$1,109,183

**Net Profit/Loss:**
$(51,691)

**Net Assets at YE*:**
$827,534

*includes investment income

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**2017 Revenue Breakout for the AHC**

- Membership Dues: $338,486
- Marketing Alliance: $282,439
- Meetings and Seminars: $214,883
- Investment Income: $605,157
- Other Revenue: $6,984
- Unwanted Horse Coalition: $91,340
- Coalition of State Horse Councils: $67,216
- AHC Convention*: $40,210

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**2017 Expense Breakout for the AHC**

- Administration: $372,880
- Member Services: $110,642
- Marketing Alliance: $40,210
- AHC Convention*: $79,335
- Unwanted Horse Coalition: $60,485
- Coalition of State Horse Councils: $214,883
- Publications: $282,439

*AHC Convention Expense includes staff time
The American Horse Council Foundation (AHCF) is a 501(c)(3) non-profit that was formed in 1991 out of the need to encourage the support of worthwhile charitable, scientific and educational projects of interest and benefit to the American horse industry.

The mission of the AHCF is: to promote a healthful and enjoyable environment, social welfare level, and opportunities for those in the horse industry; to educate the public about the horse, horse care and the horse industry; to promote education through grants to individuals, programs, institutions, and organizations by the encouragement of research through these grants.

The AHCF has two major initiatives that work under its auspices: the Unwanted Horse Coalition and the updating of the National Economic Impact Study.

Founded in 2005, the Unwanted Horse Coalition (UHC) is a broad alliance of equine organizations that have joined together to educate the horse industry about the problem of the unwanted horse. It provides information for existing and prospective owners, breeders, sellers, and horse organizations regarding the long-term responsibilities of owning and caring for horses, as well as focusing on the opportunities available for these horses.

The mission of the UHC is to reduce the number of unwanted horses and to improve their welfare through education and industry collaboration.

Recently updated in 2017, the Economic Impact Study details the number of horses by state and in the US, industry spending activity, jobs created both directly and indirectly, number of participants in the equine industry, economic impact of industry segments such as racing, competition, recreation, equine assisted therapy, rescues and sanctuaries, and traditional working horses.

The American Horse Council Foundation is an exempt organization as described in Section 501(c)(3) of the Internal Revenue Code; EIN 52-1760034.

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2017 AHCF Financial Overview

2017 Total Revenue*: $573,929

2017 Total Expenses*: $315,262

Net Profit/Loss: $258,667

Net Assets at YE**: $564,514

*includes revenue/expenses for both UHC, Operation Gelding and Economic Impact Study
**Net assets includes restricted funds for Impact Study to be completed in 2018
What is COLT?

COLT is the registered Political Action Committee (PAC) of the American Horse Council. It was organized and registered with the Federal Election Commission (FEC) in 1978. COLT stands for Committee on Legislation and Taxation, and is a bi-partisan PAC.

What does COLT do?

COLT works to raise funds to support Congressional candidates friendly to the equine industry that are running for, or up for, election.

Where does the funding for COLT come from?

Funds for COLT can only be accepted from AHC members. As such, the AHC will solicit members once or twice a year for donations to COLT. Funds contributed to COLT are used exclusively to elect a pro-horse industry Congress. Any money contributed to COLT is kept separate from funds used to operate the AHC and may only be used towards contributions to the election efforts of members of Congress who have been supportive of the horse industry.

Contributions to COLT are not tax-deductible.

COLT Financial Picture

Net Assets at 2017 YE: $2,290

Put More HORSEPOWER In Congress
Visibility

Social Media

- 1,680 Facebook likes, up 17%
- 14,000 total tweet impressions

Website

- 32,324 pageviews, up 82% from 2016
- 12,289 visitors

Operation Gelding most viewed page on site

Press Coverage

Top Sources
- The HORSE
- Paulick Report

Top Themes
- 187 articles mentioned the UHC in 2017

Education

New Materials Published

- Is Horse Ownership Right for Me?
- What are the Costs of Horse Ownership?
- How to Pick the Perfect Horse
- I Can No Longer Care For My Horse. What Options are Available?

Operation Gelding

Voucher Program

- 319 stallions gelded
- 25% Donkeys
- 20% Quarter Horses

Clinics

- 428 stallions gelded
- 41% Quarter Horses
- 747 total gelded

Funding

Grants and Foundation Support for Operation Gelding

- $10,000 AAEP Foundation
- $100K from DeWitt Community Foundation was dispersed by September 2017
- $2,000 in individual donations

UHC Membership

- 21 member organizations
- 1 member organization

2017 Financial Overview

- 2017 UHC Revenue*: $44,624
- 2017 UHC Expenses*: $39,179
- Net Profit/Loss: $5,445

*Revenue shown does not reflect grants and monies received for Operation Gelding. Expenses do not show reimbursements for Operation Gelding.
2017 Time to Ride Challenge

Phase I
- Expose as many Newcomers as possible the benefits of horses through Challenge Events and Experiences that encourage Newcomers to take the first step towards a connection with horses

- 1,008 events hosted
- 22,152 newcomers were introduced to a horse
- 183 Hosts

Challenge Association Program (CAP)
- 19 associations and organizations participated
  - 16 had active Challenge hosts
  - 12 had Challenge hosts that placed in either Phase I, Phase II or both
  - Over $6,500 worth of additional cash and prizes awarded to their Challenge hosts!

Phase II
- Objective for Phase II is to encourage as many Newcomers that participated in a Phase I Challenge Event to return to the Host for a Follow-up Experience that helps the Newcomer become regularly involved in horse activities.

- 1,601 return experiences
- 1,500 hands-on hours

Challenge Impact
- 36% ↑ in prospective client inquiries

Pledge to Take a Friend Riding
Activate amateur owner/recreational rider and be eligible to win the Grand prize: Horse Crazy trip to Kentucky

Initiative Exposure
NRHA Winter Meeting
CSU Equine Sciences Capstone, Spring and Fall
AQHA Convention: Marketing & Membership and Recreational Riding Committees
Equine Affaire
UKY Ag Equine Programs Summit
AHC Webinar
AQHA State Affiliate Conference
Breyer Pony UP! event
St. Louis National Charity Horse Show event
Northern Kentucky Horse Network
Texas A&M Animal Science Careers class

New Program Management for 2018
The AHC attended a variety of meetings for industry associations and organizations in 2017.

We invite you to contact the AHC if you are interested in having a representative speak at your next conference or meeting.

United States Equestrian Federation
United States Trotting Association
Carriage Operators of North America
American Quarter Horse Association
Back Country Horsemen of America
National Institute for Animal Agriculture
American Youth Horse Council
International Forum for the Aftercare of Racehorses
Jockey Club Roundtable
Equestricon
United States Animal Health Association
Kentucky Equine Law Conference
Coalition of State Horse Councils
Professional Association of Therapeutic Horsemanship
International
Arabian Horse Association
American Association of Equine Practitioners
Locally – Washington International Horse Show, Maryland
Horse Industry Board and Virginia Horse Council