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HB4599/4600

1 message

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Good Morning Committee Members. My name is Brett Boyd and I am a third generation harness horseman with a family farm in Jonesville, Michigan. Jonesville is in the heart of Hillsdale County. I'm also a businessman and today I'm honored to talk to you about the business of Michigan Horse Racing.

First I want to thank Ag. Chair Julie Alexander for taking the time to better understand our Industry's challenges, our history and our opportunities! We could talk for hours on how our Industry has got to this point in time and the agonizing reasons why but today I would rather talk about incredible opportunities for the rebirth of a once great Michigan Industry.

In 2002, the Michigan Legislature ordered a study on the impacts of Michigan's Horse Racing and Breeding Industry. It showed some incredible facts. It is also important to understand that this study was conducted prior to Prop One of 2004 and the casinos 20 plus year attempt to eliminate our Industry.

In 2002 horse racing represented \$1.2 Billion in economic impact to Michigan. What would that be in today's world? We had over 5,000 farms associated with race horse breeding and racing and we had direct employment of over 14,000 people and supported and estimated indirect employment of 45,000. This is almost 10 times the total employment of the three Detroit Casinos.

In 2002, there was 3.626 horses that raced in Michigan for \$20.9M. Each of these horses generated significant economies for Michigan. Hay, grain, corn, fencing, vet/tack/farrier services, trucks & trailers, insurance just to name a few. With House Bill 4599 and 4600 and other upcoming legislation we can restore an INDUSTRY THAT WAS AN ECONOMIC ENGINE for MICHIGAN.

A 2017 American Horse Council Study showed that total horse racing purses nationwide and the incredible effects of purse monies on the nation's economy. In 2017 there was \$1.64B in Nationwide Purses competed for YET the US horse racing and breeding Industry was responsible for \$15.6B in direct value and \$21B in indirect value to the US economy. This means for every dollar of purse money offered the US economy gets over \$22 in return!

This incredible return on investment is why all the States that surround Michigan invest everyday into their horse racing and breeding Industries. Indiana, Ohio, Illinois, Pennsylvania, West Virginia, New York, New Jersey, Minnesota, Kentucky are just a few that provide casino gaming products or tax revenues to support purses for the horse racing Industry. These states INVEST because It's proven that for every \$1 they invest in their state's horse racing and breeding programs they get \$20+ back in economic impacts.

At the center of this dramatic return on investment is THE HORSE! The AHC study shows that every racing breed horse that is born and stays in a state is worth, on average, \$30,000 to that state every year. That's why States invest in Breeders Awards and incentives to encourage investment and breeding in their State. HB4599 will elevate our breeders awards and create additional incentives to empower investments in Michigan Agriculture. Just ONE foal will likely be worth over \$300,000 in economic value to its state during its lifetime!

Supporting HB4599, HB4600 and other upcoming legislation to produce revenues for our industry will preserve green spaces in our state, revive many vacant Michigan horse farms and generate thousands of jobs and significant economies and investments in Michigan. In 2002, there were over 5,000 farms directly or indirectly involved in our Industry, many of these in your community, and they are still there and ready to be put back to work!

The AHC 2017 valued the Michigan horse racing industry at a \$398 million dollar industry. With the passage of HB4599 and other industry legislation our business will be revived and these measures will ignite significant investment in farms, acreage, infrastructure, equipment, trucks & trailers and breeding stock. The horse racing and breeding industry can again be a billion dollar economic engine for Michigan.

YEAR	RACE DAYS	RACES/PURSES	AVG	#HORSES	AVG. EARNINGS			
2018	87	817	\$3,443,750	\$4,215	683	\$5,042	\$4,875	\$5,123
2017	88	883	\$3,313,628	\$3,753	791	\$4,189	\$4,814	\$3,910
2016	87	881	\$3,808,649	\$4,323	770	\$4,946	\$4,873	\$4,979
2015	101	1,083	\$5,164,632	\$4,769	921	\$5,608	\$5,410	\$5,704
2014	58	638	\$3,213,064	\$5,036	903	\$3,558	\$3,945	\$3,332
2013	138	1,714	\$5,848,744	\$3,412	1,369	\$4,272	\$4,336	\$4,234
2012	153	1,905	\$7,006,751	\$3,678	1,539	\$4,553	\$4,643	\$4,503
2011	170	2,201	\$7,982,090	\$3,627	1,872	\$4,264	\$4,584	\$4,099
2010	187	2,587	\$8,713,785	\$3,368	2,077	\$4,195	\$4,263	\$4,157
2009	203	2,725	\$10,381,936	\$3,810	2,315	\$4,485	\$4,592	\$4,424
2008	359	4,160	\$15,093,196	\$3,628	2,864	\$5,270	\$5,668	\$5,071
2007	405	4,735	\$17,992,630	\$3,800	3,118	\$5,771	\$6,278	\$5,516
2006	433	5,037	\$18,853,656	\$3,743	3,215	\$5,864	\$6,437	\$5,573
2005	454	5,112	\$19,104,596	\$3,737	3,379	\$5,654	\$6,301	\$5,338
2004	490	5,380	\$18,371,279	\$3,415	3,363	\$5,463	\$6,250	\$5,086
2003	518	5,693	\$19,185,720	\$3,370	3,676	\$5,218	\$5,912	\$4,888
2002	529	5,803	\$20,974,020	\$3,614	3,626	\$5,786	\$6,380	\$5,500
2001	544	5,917	\$8,408,837	\$1,428	3,770	\$5,674	\$6,270	\$5,401
2000	591	6,380	\$23,130,992	\$3,666	3,984	\$5,806	\$6,324	\$5,569
1999	641	6,899	\$24,089,482	\$3,562	3,913	\$6,156	\$6,035	\$6,202
1998	672	7,403	\$24,405,630	\$3,307	4,210	\$5,797	\$5,778	\$5,792
1997	688	7,810	\$24,672,842	\$3,185	4,469	\$5,521	\$5,717	\$5,430
1996	741	8,290	\$23,752,631	\$2,883	4,531	\$5,242	\$5,107	\$5,280

In 2002, 3,626 horses participated in Michigan Harness Racing. In 2018, 683 horses participated in Michigan harness horse races. With the passage of HB4599 and HB4600 I predict that we will breed 300 race horses in Michigan next year and for years to come! Those 300 horses will represent \$90M in economic value to our State over the next decade!

Here's my math. 300 foals X \$30,000 avg. econ. value = \$9M in annual value to Michigan X 10 years = \$90M

When we duplicate 300 foals every year for just 5 years the numbers are breathtaking!

2020 \$9M (300 horses)

2021 \$18M (600 horses)

2022 \$27M (900 horses)

2023 \$36M (1200 horses)

2024 \$45M (1500 horses)

Combined economic value to Michigan over the five years is \$135M!

This is why we are surrounded by States that have invested in the jobs, the economies and the HORSE POWER of

horse racing!

Michigan Horse Racing and Breeding can again be a \$1.2B dollar business for Michigan with your help! It is by far the biggest opportunity in front of the legislature. Where else can you invest a dollar and get back \$22? What other Industry can you invest in that will create thousands of jobs, preserve green space, encourage millions of dollars in investments into Michigan Agriculture and help restore thousands of Michigan family farms? In my opinion nothing represents PURE MICHIGAN MORE than our horses, families and farms. Thank you for your sincere consideration and support!

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