

Research Article

Structures and Business Operating Areas of European State Studs

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Abstract- This thesis was conducted to analyze the structures of European state studs in regards to business structures, resources and developments. Until now there has been only incomplete and very little data about breeding, infrastructure, management and resources of the different European state studs available. Analysis showed that European state studs developed to modern service providers. Next to services around the horse European state studs provide also touristy programmes and cultural events. However are most state studs still dependent on governmental subsidies to keep up the business in its current constitution. Successful and profitable state studs concentrate their main activities only to one business branch. Cooperations between state studs offer great opportunities for an exchange of knowledge, experiences, genetic resources and help to realise projects one stud would not be able to.

Introduction

Many state studs exist already since 1700 or longer (Haring, 2005) and often have beautiful buildings, long traditions and historic breeding lines which should be preserved because they document in a specific and unique way the development of European history and help to preserve biological diversity (ESSA, 2010). To make governments and public more aware of the importance of European state studs the European State Studs Association was founded in 2009 which is establishing a network between European State Studs. The goal of this network is to advance collaboration between the studs, to simplify information exchange and to have an organization which represents the state studs politically (ESSA, 2010). To be able to establish this network information about administrative structure, organization, equine breeding and husbandry, education, research, marketing, culture and tourism is required (ESSA, 2010).

This research was conducted to gather data about the structure, resources, services and administrative structures of individual European state studs to gain a basis for a good working network and to make an exchange of resources and knowledge easier. Additionally the state studs were analyzed according their profitability and possibilities to sustain at the market next to private businesses.

Methods

Necessary data was collected through a questionnaire which was sent to 42 European state studs whereof 14 questionnaires were received back. Gathered quantitative data was analysed by the statistical computer software programme SPSS 16.0 Student Version for Windows. Qualitative data was analysed with the help of the MS-Office program EXCEL or it is presented descriptively.

Results and Discussion

Structure

10 of the 14 studs participating in this analysis are state owned businesses and have to report directly to the agricultural ministries of their country or federal state. State owned businesses have the advantage of being more autonomous from the market due to governmental subsidies but on the other hand are limited in their freedom of action and decision making.

Financials

8 studs provided information about their financials whereof four get their main income through state subsidies. Irish National Stud, Swedish National Stud Flyinge and German Federal Stud Celle present the three studs which present the highest turnover and do not receive state subsidies. The comparably high turnover of Irish National Stud is a result of breeding and selling thoroughbreds for horse racing. The equine racing sector generates far more turnover than the warmblood sport horse industry (BHIC, 2009) whereby Irish National Stud has an advantage over other European state studs, breeding warmblood horses. Swedish National Stud Flyinges' main business is the provision of educational programmes up to university level. German Federal Stud Celle concentrates its main activities on the marketing of its stallions. These results let conclude that state studs which concentrate their activities mainly to one business branch are able to generate more profit.

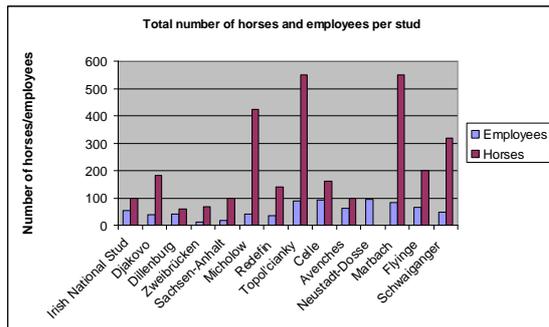
Offered Service

Next to services directly connected to the horse business like horse training, selling, etc. all 14 studs rent out their premises for events and also offer event organisation. Furthermore are consulting and

further education courses important services. The infrastructure and resources of state studs allow a great diversified supply of service features without the effect of additional costs or effort.

Resources

Although the ratio of horses per employee varies from 1.46 to 10.7 between studs a correlation between the total number of horse and the number of employees could be found. Reasons for the great difference in horse/employee ratio are differences in financial resources as well as diverse standards of wages between countries.

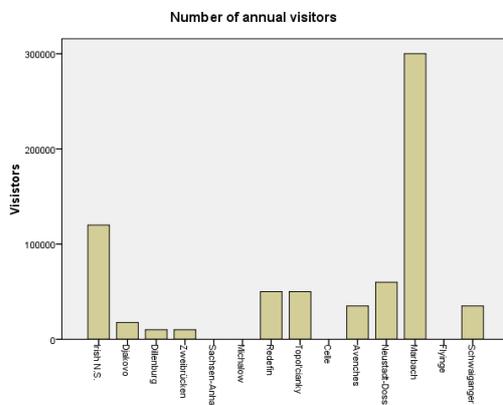


Graph 1 Total number of horses and employees per stud

The size of operational land correlates with the total number of horses kept at a stud which indicates that probably the size of land is a limiting factor to the number of horses. But it could also be a sign of equine welfare standards met by state studs.

Tourism and Events

German Principal and Federal Stud Marbach have with 300.000 the highest number of annual visitors. This huge number compared to the other studs is alleageable as Marbach is located in a tourist area combined with effective marketing and attractive events. The standard offers for visitors of European state studs are guided tours and carriage drives.



Graph 2 Numbers of annual visitors

4 studs generate 10% and more of their income through tourism and events. For Federal Stud

Redefin tourism and events are an essential part of its income. To attract visitors the location of the stud and the uniqueness of events and offers are the key factors of success.

Cooperations

11 studs indicated to have cooperations with other state studs. Cooperations provide studs with the possibility to exchange experience and genetic material as well as put funds together to execute projects one would not be able to.

Service for breeders

11 state studs provide their breeders with EU-insemination stations whereof 9 also offer the service of embryo transfer.

Although the distribution of fresh and frozen semen over long distances is common procedure today 10 studs still provide service stations throughout the country or state.

Conclusion

Analysis showed that state studs are historic monuments with old traditions. But during the past years those traditional state studs developed further to modern service providers and are not just equine breeding institutions anymore. Next to services around the horse European state studs provide also touristy programmes and cultural events. However are most state studs still dependent on governmental subsidies to keep up the business in its current constitution. Successful and profitable state studs concentrate their main activities only to one business branch, for example educational courses or covering business. Cooperations between state studs are already important tools, and will be even more in the future, to sustain at the market next to private equine businesses. Such cooperations offer great opportunities for the exchange of knowledge, experiences, genetic resources and help to realise projects one stud would not be able to.

References

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