

Executive Vice President Speech
AHA Convention
Friday, November 18, 2011
Vancouver, Canada

Thank you Craig and welcome AHA members! Isn't it great to be in – **Oh Canada!** I want to thank Region 17, R17 Director Terry Johnson, Gerald McDonald incoming Director, the Convention Planning Committee, and Kate Cooper for putting together a wonderful convention here in Vancouver.

This is my 4th Convention to stand before you as your EVP. Since that 1st one in 2008, we've had our ups and downs but I'm happy to say today we're seeing more **ups** than downs.

But before getting started, I must say too, I have been blessed with wonderful supportive leadership from our President Lance Walters to our Executive Committee and Board to good Commissions, Committees, our 249 clubs, and volunteers as well as dedicated staff. This is at the national level but it is all you guys out there – delegates and club leaders that carry our message and lead locally. It takes a lot of people to carry out all the many functions of AHA – YOUR organization. Today I want to emphasize the importance of **local** promotion and work.

There are 2 Arabian survey findings that get my attention. **First**, most of our membership first became involved with horses at a young age – 10 and under with the majority of these female. **Second**, the majority of our members came to Arabians from another breed or discipline. This tells me we have to put more emphasis - just as our president advocated in his speech - on Youth – the earlier the better. I want to share an aside with you – based on this idea – I thought, advertise in Girl Scout magazine. Well Sticker shock struck! A 1 page ad I remember as being about \$44,000. But that doesn't mean that we still can't try to get Girl Scout, Cub Scout, or Boy Scout activities at our farms or Discovery Farms. Maybe offer assistance with Merit Badges. In addition we need to revisit working with FFA and 4-H both locally and nationally. Region 14, Frank Gaddy, is working with the national FFA with the FFA convention in Louisville with over **50,000** kids in attendance.

Secondly we need to search ways to expose our horses to owners of other breeds. A companion finding was that a major reason for owners switching to Arabians was because of friends. That means every person in this room has the

ability to influence someone to switch because all of us have friends who own another breed. So please go home and start recruiting folks!

I frequently hear or am posed with the question – “**Is AHA a breed association or a show organization?**”. What I am here to clear up is that WE ARE BOTH!

In a time that registrations are dwindling – I think - shows are our hope – because they not only drive registrations BUT they require registrations of our horses. And I say a breed registry because through merger – we acquired the responsibility of protecting and recording the heritage of our proud and NOBLE BREED!

Our future depends on BOTH of these groups .

In the area of registration, we have a challenge – convincing disciplines – Reining, Hunters, Dressage, Jumpers, Cutters, Carriage Driving, Endurance and Competitive horses - that there is value in registering their horses.

Another area we have to consider is changing social realities – Xbox, Facebook, relatively no horse themed programs on TV to excite our YOUTH about horses. As I stated earlier, I challenge each of you to go home and get involved locally with 4-H, Girl Scouts, Boy Scouts, FFA, local civic clubs, and agricultural groups. Spread the name – Arabian Horse – across the US and Canada.

Let's talk about **AHA**.

Our **staff** make-up continues to be leaner. We are continuing to be a more efficient organization. Our fulltime staff continues to be in the mid-40's and with part-time, commission, and contract employees we have about 50 on staff. We are down from a high of 102 in 2003. I would like to say we are doing more with less but in reality staff is stretched just to maintain the previous level of service with the speed of work being hampered.

MEMBERSHIP is continuing downward. Oct 31, 2008 we had 36,231 total members; same time 2009 we had 32,694. For 2010, we had 29,644 members. For 2011, it has dropped to 27,626.

I asked **Debbie Fuentes** to research how many unique members we had had in both 2010 and 2011. That answer generated an interesting result. During the year 2010 we had 38,577 unique members at some point during the year.

But pick any day of the year, say September 30, 2010, and we had only 29,705 that day. For 2011 to date, we have 34,729 people who have been a member at some point this year, but on October 31 this year, we only had 27,626. What does this mean – we had about 7,000 members in “float” and we need to do all we can to get them to rejoin. This should be our prime target to increase membership.

YOUTH had 4,050 members in 2008; 3,528 in 2009; and 3,102 in 2010. We had 2,801 on October 31 of this year. I want to see us analyze our **Youth Membership** back through 2008. We need to find out – Are we losing youth because they are aging out or are we losing them earlier for other reasons.

BREEDING and REGISTRATIONS are also continuing the downward trend. In 2008 on October 30, we had registered 4,953 **Purebred** Arabians; in 2009 on that date we had registered 4,395; 2010 we had registered 3,818. Currently we were at 3,010 on October 31.

For **HA/AA** we registered 2,095 by this time 3 years ago; only 1,593 by the same time 2 years ago; and 1,403 last year. This year we are at 931, half of 3 years ago. We aren't in this alone though because other similar organizations are experiencing the same; still not much comfort.

Both from meetings in Washington this past summer and a meeting in Amarillo at AQHA in the fall, it is clear all breeds are experiencing this same downturn. It is industry wide. What struck me is that all breeds and disciplines are doing different things to try to stop the downturn in both memberships and registrations and yet nothing is working for anyone. That leads me to believe we should focus on the economy and changing social norms.

You have heard me in the past both here and in MAH expound on the need to regain the interest of our Youth in horses. Again, this has to start locally. Yesterday you heard Lance talk about the availability of **matching funds** to work on local promotions. This could be through stables, clubs, and individuals for clinics, seminars, have booths at 4-H and similar events, have summer camps at your farm. My wife had 2 weeks of **summer camps** at our farm about the time I came to AHA – clipping, grooming, parts of a horse, safety, riding instruction, classroom with coloring books and games as teaching tools. Each was a week long and out of one a \$50,000 horse resulted in being sold out of our barn.

The **Academy Program** concept being discussed is another idea. If not for this program, the American Saddle Horse breed wouldn't be what it is today. The

Academy Program made successful through the United Professional Horseman's Association (UPHA) serves as a recruitment center for exhibitors for the Saddle Horse world. Our APAHA is now zeroed in on this same concept. A percentage of people that started in that program have gone on to be major contenders at the Saddle Horse World Championship. I think it saved the Saddle Horse industry not to mention put lots of money in stable's pockets.

At the NC State Fair, a large number of our Academy classes had to be split as much as 6 times with no more than 12 to the class. Effectively the way it worked was trainer's had instructors bring horses to the show, they paid all fees for the rider, and charged them \$250. The trick was most horses had as many as 6 riders ride the same horse. Do the math.

Locally in Colorado I was recently speaker at the **Rotary Club of Parker, CO** where I live. In preparing for that presentation, I put together, with help of our Marketing Department, a Power Point designed for civic clubs. It was a hit for the Rotary. Once more work is done on it, we will make it available to AHA clubs so they can have a copy to use for civic club and other meeting presentations on our Arabian horses history, what the Arabian and the horse industry can mean to a local community, and what Arabian Horses do – which is just about everything. It is full of pictures which non-horse groups love. This can be a way to promote Arabian Horses inexpensively locally.

After my speech to the **Rotary**, I had some wonderful questions – one was “What is the value of having a registered horse?”. A very good question! My answer again was to be able to trace and prove your horses ancestors accurately and to have accurate records to make breeding decisions upon. There is both VALUE and PRIDE in this knowledge.

Let's talk about **National Events**.

DISTANCE NATIONALS had its challenges this year but the Commission came through. Going forward there are some big decisions to be made. Not only is the location to be decided but are Endurance and the Competitive Rides to be held at different locations. Will it be stand alone or piggyback with existing rides? We have a dedicated Commission though that I am confident will make the ride work. Incidentally, even though the Commissioner's travel was funded, they chose not to seek reimbursement in order to help the rides bottom line. This action placed the ride in the black.

With returning Commissioners and new members of the Commission I am confident this National Event is on the way to a turnaround. How else should it be when Arabians lead the world in Distance?

YOUTH NATIONALS had a tight year. We budgeted for 940 horses (having had 945 in 2010) but finished with 888 horses. It was a great show; it just didn't have the horses it budgeted. So even though the show didn't meet budget, it was still a great and profitable show. The expense side is easier to control but the revenue side can become victim to many factors and is more difficult to control and predict.

For the **Youth CONVENTION**, there were 83 delegates. It was exciting to watch the Youth present run a very organized and choreographed exercise in the governmental process. These are the future leaders of this organization.

Speaking of **Youth**, I would like to take this opportunity to share with you exciting news I learned last night. ... Last year's Youth of the Year, **Kelsey Kimbler**, has just been selected to represent the US Team in Abu Dhabi for the Young Rider Endurance World Championship next year. She was also USEF Junior Equestrian of the Year last year and was the Sportsman Award winner. It was her younger sister who spoke to our Board of Directors in August petitioning for help for our Youth Program. Both these girls are perfect examples of why AHA has to do more for our Youth.

CANADA in its new venue in Brandon, Manitoba had a wonderful show. It had budgeted for 740 horses and had 657. The horse quality was great but in addition to the wonderful quality of the horses, the new facilities at Brandon were superb. Both the City of Brandon and the facility could not have been more welcoming and on top of virtually our every need. In short, our association landed on its feet in Brandon. Probably the most important plus is it is under one (1) roof and has a hotel and restaurants literally connected to the show arena. With the continuing Improvements the facility and region are committed to providing, we are predicting we will see an increase of close to 100 horses in 2012. Congratulations to the Canadian Commission on a superbly produced show after last minute obstacles they were handed.

SPORT HORSE had a great show at the KY Horse Park. Its budget was 500 horses, it had 536 head. For the future, both the Show Commission and the Board has listened to exhibitors and has gone back to rotating east and west. As announced yesterday, it will start an east west rotation with Nampa, Idaho in 2012; then to the VA Horse Center in 2013; and then repeat the rotation into the future. The largest class at this year's show was the Arabian Sport Horse under Saddle

Class with 74 horses entered. The next largest had 64 horses entered. It is clear, there is enthusiasm in the Sport Horse disciplines.

US NATIONALS had a tremendously successful show this year. Their budget was for 1,725 horses and the show ended up with 1805 head entered. From the beginning, there was excitement in the air in Tulsa. And by shows end, I had exhibitors who had bent my ear mightily the first year who sought me out toward the end this year singing praises on all the shows improvements. The Commission worked tirelessly to bring change to this year's show. The new "Bill Hughes" Marquee in Ford Truck, the "Lance Walters" Pavilion Tables, excitement from the added halter classes and procedure, and the Sweepstakes classes were a few of the exciting improvements to the show this year.

We again want to thank all the horse providers, trainers, judges, US National Show Commission, and Angela Mannick and her Youth Committee for making our **YOUTH JUDGING CONTEST** at the US Nationals a resounding success. It is the oldest and one of the largest Judging Contests in America. The awards breakfast on Saturday morning had about 350 judging contest participants present. This contest is our chance to expose and promote our breed to so many non-Arabian youth from across the country, who then go home to all areas of the U.S. having been exposed to our Arabians.

Yesterday Lance mentioned the very positive report from **Tulsa**. I would just repeat that no contracts have been signed for the U.S. site beyond 2012 and that RFP's have been sent to about a dozen venues around the country for 2013 to 2017. The deadline for return of proposals is December 15. After that the US Commission will evaluate all proposals and make a recommendation to our Board. Anyone that would like to see that a particular venue has received the opportunity to give us a proposal, see me or Julie Stewart, US Nationals Event Coordinator, or any US Commissioner.

Leading up to our National Events though, **AHA has sanctioned** 328 USEF Arabian Shows, 193 Distance Rides, and 26 One Day shows, a total of 549 events to date this year.

For Sweepstakes, in 2011, there were approximately 2,289 Breeding entries received (1,802 Arabians and 487 Half Arabian).

You will hear shortly from our **JUDGES and STEWARDS COMMISSIONER Stan Morey**, but first, I want you to know how excited I am about the change Stan has

brought to that office. For me, he is more than the J & S Commissioner; he is our eyes and ears across the country. He and I talk almost daily about industry issues in general. We bounce ideas off each other. It is a pleasure to have such an experienced and respected horseman and judge at AHA.

Another well known industry individual who is now in the office is **Marlene Kriegbaum**. She is now a full time employee and has moved from New York to Denver. She is working in our Competition's Department and will be our Show Secretary at all 4 National Shows in the future. She brings years of industry experience into the office.

On Saturday, **Dan Lawrence**, our **Sr. Dir. of Marketing** will give an in depth review of Marketing. The Marketing Department is always working on potential Corporate Partner leads, is seeking funding for a new website at AHA, wants more members of AHA's Face Book Page which hopefully will lead to full membership. Other initiatives include a national print ad campaign, press releases, eBlasts, Adequan Daily Stride Online Video updates, Equine Affaires, Mentor Network, and Discovery Farms.

Modern Arabian Horse is now published 6 times per year. It is a 3 time winner of USEF's Pegasus Award as Equine Publication of the Year and 2 time winner of the AHC's American Publications Award. It is starting to reach a 6 figure profit – a turnaround from a few years ago when it was a 6 figure loss.

MDP continues to have challenges. Almost all of its base funding has gone to the Arabian Horse Gallery this year and last year and, for the immediate future. This is not meant to take away from the Galleries but MDP has been left short of funding for other promotional projects. MDP is hopeful funds can become available to do at least limited traditional breed promotion.

In the **ACCOUNTING AREA** – we are getting our feet under ourselves and we have, I think, fixed our processes going forward. We are starting to build on our year-end cash. Our accuracy of reporting is working. Our challenges are fixing accounting errors of the past. There is no one, no entity, no prize money winner that hasn't been paid. We just have some catching up internally to do with getting funds back into the "right bucket". Within 4 years or less, we will have our accounting totally on track, but going forward, we should have no issues. As both Lance and Dave reported yesterday, in September 2012, the Sweepstakes Note will be paid off and we will again be able to focus on other areas of finance. We are also predicting a positive additional cash flow of 6 figures for the current year.

Our **BUDGET** preparation will begin in earnest next week for our Fiscal Year that begins April 1.

With the deployment of the Horse Registration system (**HRS) System**, the IT Department has been working on tickets just as with any new software system, but they are now able to start to look forward toward other IT needs in the building. With the help of our IT Advisory Committee, we are now starting to move into identifying and prioritizing our next IT projects. Without question, one that we desperately need is an upgrade to our website.

Another bright spot is that our **building** doesn't appear to need the immanent repairs once thought. The roof leaks appear to have been stopped. The HVAC units and elevator continue to be fully operational even though they are aging. So with this information we are anticipating extending repair coverage for a longer period and putting off these costly replacements.

In closing I want to say, since coming to AHA 3 ½ years ago, we have a lot of things going our way now. Yes, we still have challenges – and we always will – but we have a lot to smile about going into 2012.

Let's go into 2012 as a team! Let's as a team make some positive things happen for AHA, the Arabian, Half Arabian, Anglo-Arabian Horse, and you as our members this next year!

THANK YOU!