

Presentation Speech to Kansas Committee on Economics and Commerce, Feb. 20, 2019, 1:30 p.m.

Good afternoon, I am Gail Radke. I appreciate the opportunity to provide this committee with personal facts and figures on the Racing-Agri Business that we have been involved in for 45 years and how just one farm can impact the economy in the State of Kansas. My husband Richard and I own Asiel Stable, a Thoroughbred operation we manage from our 160 acre family farm in Southern Johnson County.

As Breeders and Owners we are part of the backbone of the racing industry and contribute major financial support. We take all the risks, provide the product and pay the bills. This helps generate a revenue stream without costing the state any out of pocket funds.

As stated on the Kansas Department of Agriculture website:

“Kansas has rich agricultural traditions that pre-date its statehood and continues to be a significant contributor to the State’s economic well being. It is a key economic driver in the past, in our present, and holds a great potential for our future.”

With so much emphasis on wheat and beef, it would be easy to overlook the widespread financial influence of horse racing and the breeding industry. Farms that breed mares, raise foals, stand stallions, positively impact the Agri related businesses from Johnson County to Johnson City. Since the Woodlands closed its doors these business have been significantly impacted in a negative manner.

We have 30 Thoroughbreds of various ages, most of which are 5 generations of our breeding. Each year on our Kansas Farm, we raise an average of 9 foals at a cost of \$30,000 from conception, through the

yearling year, to the first time out of gate as a two year old. This cost does not include the stallion fees. We breed our mares in Kentucky because of the wide variety of choices and to get the best value for our money. For the privilege of going to Kentucky we also have to pay that state a 6% tax on the stallion service. An additional \$24,300 goes to the farm to where the mares are boarded and the veterinarian who cares for our mares until checked in foal. In the last three years we have spent \$272,527.00 in stallion fees and approximately \$17,000.00 in state sales tax to Kentucky. Kansas could use money like that.

I would like to personalize this information a step further so you can get a feel for the economic impact our one farm has on co-dependent industries in Kansas. We grow our own brome and alfalfa hay. In order to do this we have to purchase tractors, hay rakes, and balers from Mike at Greely Implement near Garnett, KS. Mike feeds his family by selling equipment, parts and doing yearly repairs and maintenance. To run the equipment we purchase diesel from Spring Hill.

We test the soil each year for the nutrients and send it off the Extension office and then call the Guttermans in Bucyrus who bring their equipment and fertilize our pastures, costing approximately \$6,000-\$7,000 per year. Our trucks and trailers are purchased from vendors in Edgerton, and Overland Park. The Insurance to protect our equipment comes from a company in Overland Park.

We put up about 800 large round bales needing plastic wrap purchased in Olathe. 3,000 square bales use wire bought from the Spring Hill Co-Op or the Paola farm store. In the spring, summer and fall we provide jobs for high school students from Stillwell, Spring Hill and Overland Park helping with the haying and various farm chores.

In addition to oats, we feed a specially formulated pellet with vitamins and nutrients purchased from Blair Feed in Atchison, KS; we utilize the services of veterinarians from Stilwell, DeSoto, and Kansas State Veterinarian School; farriers from Osawatomie; tack and supplies required to raise horses are purchased in Stilwell, Olathe, and Louisburg. We utilize Emily Holton's Aqua Treadmill for rehab located in Tonganoxie. The co-dependent industries we support are not just in our immediate community.

At one time we raced in Kansas as did 1,100 other owners and trainers. Now we foal and race in Illinois and Kentucky because of their breeding incentive programs. Our revenue leakage from Kansas into Illinois is approximately, \$340,000, per year.

At the track it takes 4 individuals each day to work with one horse; the trainer, the groom, the hot walker, the exercise rider. That does not account for a farrier, the veterinarian, the guy who delivers the straw bedding, the feed man or the jockey who rides our horse on race day; all out of state jobs handling our horses.

We race in Illinois, Iowa, Minnesota, New Orleans, Kentucky, Oklahoma, Florida and Indiana. And those states love to have our revenue stream because we contribute to shoring up their state economy and provide jobs.

Kansas breeding and racing is on the verge of extinction due to fierce competition from already fully developed racing/gaming operations in surrounding states. The revenue leakage into other states is in the millions. Standing behind me are the true warriors of the Agri/Racing community who have hung in there for all this time waiting for something positive to happen. We are scattered everywhere across the state and in most counties.

If I might add, the horse racing industry in Kansas is not in competition with Kansas Casinos. Kansas Racing is in competition with tracks in surrounding states. Gamers who participate at the casinos are very different than the racing enthusiasts at the track. In addition to slot machines, casinos have gambling choices in the form of table and poker games. Racing enthusiasts or equitourists, study programs, make choices on pedigrees, jockeys, trainers, past performances, the color of the horse or the horse's name. They bet on "their" pick and when the gates open they ride with "their" horse all the way around the family friendly race track.

These equitourists will be out in full force this weekend here in Topeka at Equifest. In past years there have been as many as 15,000 visitors to Equifest. And they were not just from Kansas. Folks from Missouri, Oklahoma, Iowa, and Colorado also wandering around enjoying the booths and seminars available. Yet another indication that folks will travel if horse opportunities are available.

Re-Opening the Woodlands will be a win-win solution. This is the only revenue source immediately available that won't cost the state or increase taxes. The direct economic input, the multiplier effect generated within these industries and the subsequent spending between co-dependent industries, creates jobs and contributes substantial revenue dollars to the annual economy. It is a shame that there is a continued exodus from Kansas into surrounding states with a friendlier environment.

The Agri-Racing Industry is an underappreciated revenue stream flowing out of Kansas nourishing the economies of surrounding states.

I am happy to answer any questions.

Thank you for your time.