

The Cost of Shoeing a Horse

What's a fair price to shoe a horse?

How much does it actually cost in labour and materials?

Obviously there isn't a single correct answer – it depends on a lot of things. But you can get a good idea using a number of known 'parameters' (or assumptions!)

Facts and Assumptions

I've assumed that the average cost of materials for one shoeing is \$12 – that's \$9 for the shoes, \$2 for the nails and \$1 for wear on the rasp. Add to this another \$8 for wear and tear on tools and equipment, gas for the forge, safety gear, apron, boots etc. This comes to \$20 per shoeing.

I've also assumed that each shoeing takes one hour.

The main unknown factors are the distance travelled between jobs and how many horses are shod in each yard. *This is critical to the whole exercise* as you will see further down. To work out your own personal average distance between jobs just calculate your mileage for the week and divide this by the number of horses shod.

What we do know fairly accurately is the average cost of running a tradesman's vehicle. The cost for a vehicle over 2.6 litre capacity is \$0.67 per kilometre. This information is available from the NRMA and they work it out in conjunction with the ATO (2005/2006 data). The 67 cents covers all the normal expenses that the tax man accepts for a tradesman's vehicle.

I've assumed that you drive at an average speed of 60km per hour. So at 67 cents per km it costs you \$40.20 per hour just for the vehicle.

Finally – how much do you expect to earn in a year? This is a personal matter and everyone is different so I've selected three annual rates of income and prepared examples for all three.

In each case I've added 15% because, if you're self-employed, you have some other expenses such as Workcover, superannuation and perhaps some form of income, accident and health insurance.

I've also assumed you work 40 hours per week for 47 weeks a year, with 4 weeks holiday and one week off sick.

The annual rates and the 'per hour' equivalent are –

- A \$40,000 per annum equates to \$24.50 per hour
- B \$70,000 per annum equates to \$43 per hour
- C \$100,000 per annum equates to \$61 per hour

To make the annual income, the hourly rate needs to be earned for the full 40 hours per week, whether you're shoeing or driving between jobs.

Armed with all this information we can begin to draw a few conclusions.

Here are a few different scenarios -

If you drive for half an hour (ie 30 kms) to shoe one horse and then drive back again, you need to charge between \$109 and \$182 to shoe that horse. The costing is as follows –

	Income A	Income B	Income C
Shoeing income for 1 hour	\$24.50	\$43.00	\$61.00
Travel time income 1 hour (return)	\$24.50	\$43.00	\$61.00
Materials – 1 shoeing	\$20.00	\$20.00	\$20.00
Vehicle cost 60kms @ \$0.67	\$40.20	\$40.20	\$40.20
Total cost of shoeing one horse	\$109.20	\$146.20	\$182.20

I realise this is an extreme case but it does make the point. Every farrier will have his or her own worst-case equivalent to this example.

Here's another one where you do a round trip of 30kms (15km each way) to a yard where you shoe 5 horses. The costs look like this –

	Income A	Income B	Income C
Shoeing for 5 hours	\$122.50	\$215.00	\$305.00
Travel time income for half an hour	\$12.25	\$21.50	\$30.50
Materials for 5 shoeings	\$100.00	\$100.00	\$100.00
Vehicle cost 30kms @ \$0.67	\$20.10	\$20.10	\$20.10
Total cost of service	\$254.85	\$356.60	\$455.60
Cost per horse	\$50.97	\$71.32	\$91.12

In this example, at a price between \$51 and \$91 you would achieve your earnings target.

The message here is that time spent travelling is important – driving around costs more than shoeing.

So what's the average cost to shoe a horse?

Again we make some assumptions. If you drive 120km in a day, work for 10 hours, shoe 8 horses and set your target income at the \$70,000 a year, you need to charge \$84 per horse. (For \$100,000 a year you need to charge \$106).

Shoeing income 8 hours at \$43	\$344.00
Income for time spent driving -2 hours	\$86.00
Materials – 8 shoeings	\$160.00
Vehicle cost 120kms @ \$0.67	\$80.40
Total cost	\$670.40
Average cost per horse	\$83.80

Not Happy? How do you change things?

Gone are the days when the owner brought the horse to the smithy. Some driving is essential. But it is important to recognise which are your 'expensive' jobs and either charge more or gradually off-load them, (better still, avoid them in the first place).

You need to know your average distance per job (that's weekly mileage divided by shoeings). When a new client rings up, just do a quick mental assessment – how far away are they and how many horses do they have? If you take the client on – will your average distance per job get better or worse?

There is no law that says you have to charge everyone exactly the same price. You may have to explain that there are two components in your quote – shoeing time and driving time.

Don't be (too) afraid to put your prices up

Let's talk a bit more about pricing.

Most full time professional farriers charge between \$70 and \$120 and appear to have sufficient work; also there are parts of this country where horse-owners complain that they have difficulty getting a professional farrier.

In general, for providers of professional services, whether its doctors, brothels, butchers or farriers, – their customers tend to value the on-going relationship more than they see the need to get the absolute best price.

In contrast, commodity products such as grain, coal, and petrol are the opposite – even to the point where people make stupid (economic) decisions – like driving 5km out of their way to save 2 cents per litre.

Based on your travel time, some jobs will be more profitable than others. Assuming you are reasonably busy, if you can identify the two or three biggest 'loss-makers' and increase their price or get rid of the work, you will improve the average significantly.

Its not so easy to put your prices up across the board for all your customers – but every new client is an opportunity to re-assess the cost and distance – hence to charge meaningfully.

One final comment (as the importer of really good drop-forged horseshoes, this is our little commercial break.)

Never under-estimate the benefit of a good quality, well-made shoe.

If you use shoes that fit well without too much bashing and shaping, that are boxed off, seated out, with a pre-formed break-over, plenty of well-positioned nail holes and good clips, you might well save ten minutes with every shoeing ...and by now you know that ten minutes saved is worth between \$4.10 and \$12.80 – which is pretty close to the cost decent shoes...

May all your horses stand still and the owners behave.

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P.S. – This article was written in 2006 and costs have gone up since then.