



*CANADIAN*  
*Thoroughbred*  
SPECIAL DIGITAL EDITION

**CTHS  
YEARLING  
SALES 2018  
RESULTS**

*CANADIAN*  
**Thoroughbred**

**SPECIAL DIGITAL EDITION**

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**The Positive Impact of Breeder Awards**

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COVER | Dave Landry Photo

**Breeders Have Grit**

**T**he term “grit” was made popular a couple of years ago by a book by Angela Duckworth titled “Grit: The Power of Passion and Perseverance”. The book examines who succeeds and why, revealing that the best marker for predicting future success is determining who has the most grit.

“Grit is passion and perseverance for very long-term goals,” said the author in a TED Talk. “Grit is having stamina. Grit is sticking with your future, day in, day out, not just for the week, not just for the month, but for years, and working really hard to make that future a reality.”

Breeders have got to be some of the grittiest people around.

You don’t get into the business of breeding horses without a deep passion for the animals and the many hours of researching their pedigrees – not to mention many tens (or hundreds!) of thousands of dollars invested. And you had better be able to persevere through a variety of sales cycles that can vary wildly from year-to-year. It is surely a way of life and Canadian breeders from coast-to-coast are dedicated to it.

Grittiness is also about being able to take challenges in stride.

Sales results were varied across the country this year – up 47.8 percent in Manitoba but down 18.7 percent in BC - but breeders everywhere are looking at the longer view. They have invested in the horses in the hopes of an immediate return at auction, but also banking on the possibility of future earnings via breeder awards.

“You have to get the horses out there. Let the horses run and make you money through the breeders’ bonuses,” commented Cam Ziprick the perennial leading breeder in Manitoba (pg. 14)

Indeed, in a market that doesn’t always allow breeders to realize their investments at the auction, the breeder awards are a lifeline. Done well, they encourage breeders to continually improve their stock to be competitive on the track, hopefully for years after a horse has been sold in the yearling sales ring.

In the article “The Impact of Breeder Awards” (pg. 22) we review what effect various programs have had in different areas and compare statistics. There’s no real surprise - the more money invested into local breeding the healthier the racing industry – but reading about the challenges that each area has faced is informative. It also reinforces the well-known reality in the industry:

If you don’t have a vibrant breeding industry, you won’t have any horse racing.

Jennifer Anstey  
CEO  
Horse Media Group



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**5** G1 horses lifetime

**50** lifetime stakes horses

**25** individual stakes winners

**5** stakes winners in 2018

2018 STAKES  
WINNERS:

**ZESTINA**, winner of  
the Passing Mood S. 9/1

**SILENT SONET**, winner  
of the Zadracarta S. 7/1

**SUMMER SUNDAY**,  
winner of the Fury S. 4/29

**SILENT STING**, winner  
of the Queenston S. 4/22

**JASPION SILENT (BRZ)**,  
winner of the Grande  
Premio Escorial (G3) 4/8

**SILENT NAME**

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# 2018 CTHS BRITISH COLUMBIA YEARLING SALE SUMMARY



## A Sale of Contrasts

By Nigel Reid

**B**ritish Columbia racing stalwart owner Peter Redekop struck four times at the Canadian Thoroughbred Horse Society (CTHS) Yearling & Mixed Sale on September 11, securing four high-profile hips for a total of \$243,000.

The highlight of the quartet on the night was sales topper Tommy Won, a strapping chestnut son of Tapiture out of the stakes winning mare, Two To Get Ready, by Perfect Mandate, secured by Redekop for \$86,000.

Consigned by Prescott Farms, the January foal is a half-brother to CTHS Sales Stakes winner Princess Katie, a daughter of Finality, and is

from a family that includes the California Derby runner-up, Cahill Chrome.

Redekop's racing manager, Bryan Anderson, explained that it was a matter of all parties being in complete agreement on the merits of the colt.

"Blaine Wright [trainer] was up from Seattle and together with Phil Hall we all agreed we liked him," said Anderson. "And Peter liked the page, so we bought him. He was consigned by good people who always do such a great job with their horses."

According to Anderson, Tommy Won will remain in BC and will be trained by leading Hastings handler, Phil Hall.

# 2018 BRITISH COLUMBIA SALE SUMMARY

YEAR	#SOLD	GROSS	AVERAGE	% CHANGE IN AVERAGE
2018	66*	\$981,110	\$14,865	-18.7%
2017	72	\$1,317,100	\$18,293	29.5%
2016	57	\$805,400	\$14,130	-17.7%
2015	91	\$1,047,400	\$17,170	16.2%
2014	94	\$916,500	\$14,782	0.07%
2013	89	\$1,314,700	\$14,771	-5.3%
2012	84	\$1,341,100	\$15,595	15.5%
2011	80	\$1,080,400	\$13,505	13.9%
2010	87	\$1,031,400	\$11,855	7.8%

\* excludes one broodmare sold

## 2018 TOP PRICES

\$86,000 – TOMMY WON, C. Tapiture – Two to Get Ready, by Perfect Mandate Prescott Farms; bought by Peter Redekop

\$76,000 – UNNAMED, C. Shanghai Bobby – Now Hope, by Tiznow (Kentucky-bred) Whitewood Farm; bought by Nick and Pauline Felicella

\$74,000 – UNNAMED, C. Shanghai Bobby – Unattended, by Quality Road Wild Rose Farm, Bryan and Carol Anderson; bought by Peter Redekop

\$56,000 – UNNAMED, C. Shanghai Bobby – Cee’s Hollie, by Cee’s Tizzy (Kentucky-bred) North American Thoroughbred Horse Company; bought by Peter Redekop

\$50,000 – UNNAMED, C. Bakken – Notis Her, by Stephanotis Jamie Demetrick, Agent; bought by Lorrie Lisogar

LEADING BUYERS	NO.	TOTAL	LEADING CONSIGNORS / AGENTS	NO.	TOTAL
Peter Redekop	4	\$243,000	Jamie Demetrick, Agent	6	\$132,500
Nick & Pauline Felicella	3	\$119,000	Whitewood Farm	4	\$111,500
Riversedge Racing Stables	5	\$88,500	North American Thoroughbred Horse Co.	5	\$94,500
Swift Thoroughbreds	3	\$59,500	Prescott Farms	2	\$88,700
Lorrie Lisogar	1	\$50,000	Wild Rose Farm, Bryan and Carol Anderson	3	\$88,000
Don Danard	2	\$42,000	White House Stables	5	\$67,000
Rob Gilker	2	\$30,500	Emerald Acres	2	\$56,000
David V. Forster	2	\$29,000	Jim Alendal	4	\$42,500
Praven Sorensen	1	\$23,000	Mike Anderson, Agent	3	\$36,500
Gonzalo Anderson, agent	1	\$20,000	Mike Anderson	2	\$31,000



Tommy Won, a chestnut Tapiture colt out of Two To Get Ready, topped the BC CTHS Yearling Sale with a bid of \$86,000 by the sale's leading buyer Peter Redekop. The colt was consigned by Prescott Farms.

Redekop began his shopping spree by securing a son of Shanghai Bobby for \$56,000 from Glen Todd's North American Thoroughbred Horse Company early in the sale, before moving on to strike winning bids for a Second In Command colt from White House Stables for \$27,000 and another son of Shanghai Bobby for \$74,000 – the second biggest price of a day which saw plenty of competition for the right horses.

"As always, the right sort of horses made good money," Anderson said, and it was a sentiment echoed by CTHS BC President, Grant Watson.

"Given that we offered almost 20 percent fewer yearlings for sale this year, the figures have held up remarkably well and significantly fewer horses failed to make their reserve price than in 2017," said Watson. "While it's true that we did not reach the heights of last year, there was lots of competition for the right individuals."

At the auction's end, 66 yearlings sold for \$981,110 for an average of \$14,865, down 19 percent from a year ago.

"I want to thank all our consignors who have again done a magnificent job in preparing and selling a typically strong crop of yearlings into what we must admit remains an uncertain market place," said Watson.

"Huge thanks go to all the purchasers who supported the sale so enthusiastically this week. We wish them all the very best of luck with their new horses and we look forward eagerly to seeing them in action at Hastings and beyond next year."

Leading consignor at the annual sale, held at the world class Thunderbird Showpark equestrian venue in Langley, was Jamie Demetrick, as agent. Demetrick's six hips grossed \$132,500, including \$50,000 for a colt by first-season BC-based sire, Bakken. The only son of Distorted Humor standing in Western Canada had 17 of his first crop of yearlings offered for sale, by far the most by any sire at the auction, and almost all of them were snapped up. **CT**



# JAVA'S WAR

WAR PASS –  
JAVA (GB), BY RAINBOW QUEST

.....  
**WON** Keeneland's **Toyota Blue Grass S. [G1]** (AWT) and **2nd Tampa Bay Derby [G2]** at 3; **G1-placed SW** at 2.

First foals arrived this year.

# NOT BOURBON

NOT IMPOSSIBLE (IRE) –  
BOURBON BELLE, BY STORM BOOT

.....  
**QUEEN'S PLATE-WINNING CHAMPION**

His 2017 sales yearlings include the **\$85,000** CTHS Ontario co-sales topper; 2018 yearlings for up to \$28,000.

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.....  
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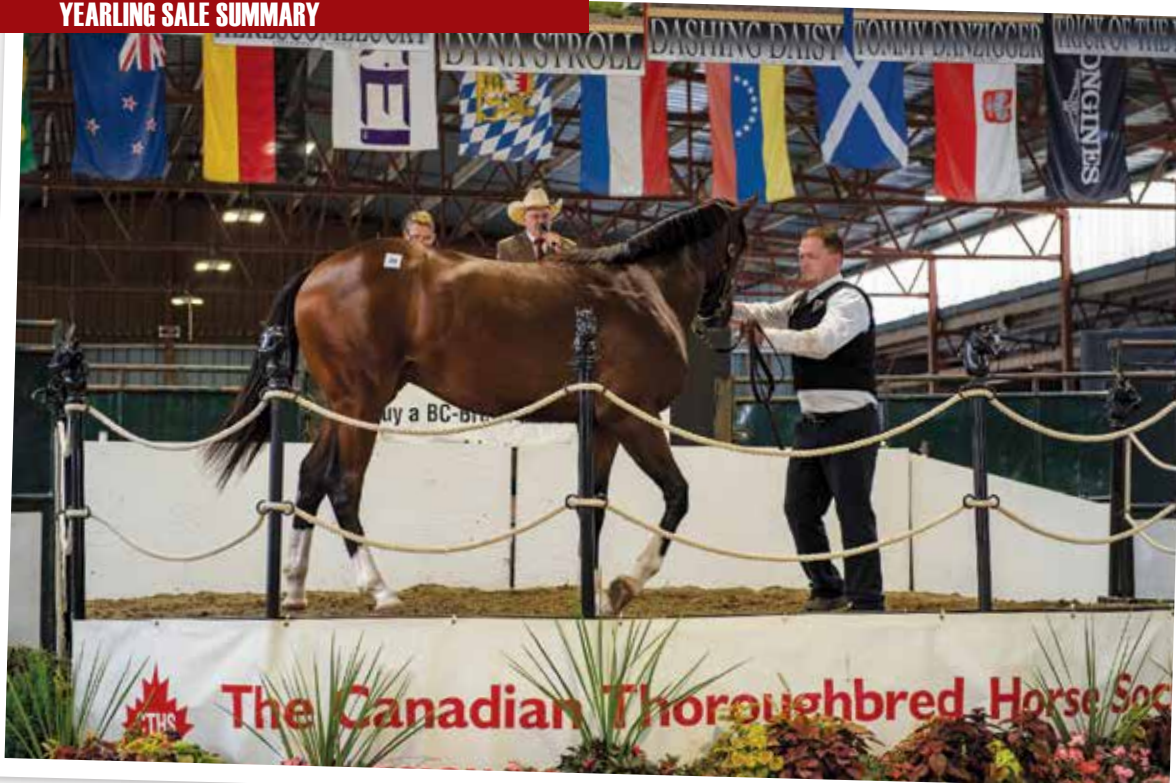
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Cathy and Steen Reggelsen's yearling colt by Graydar sold for \$23,000.

## AN EMOTIONAL FEW DAYS

**B**eyond the bare averages, medians, dollars and cents of any sale is the roller-coaster ride of emotional ups and downs experienced by every consignor and exemplified perfectly by Cathy and Steen Reggelsen and their eye-catching Graydar colt, Flyunderthegraydar.

By one of North America's leading second crop sires, Flyunderthegraydar represented the most valuable horseflesh the Reggelsens have so far offered for sale in their dozen years in the Thoroughbred business, and there was a lot on the line.

The horse sold, but there's no getting around it: at \$23,000, he didn't reach the level the Reggelsens had hoped for. However, speaking a day after what Cathy described as a "drive of reflection" back home to the beautiful Okanagan, she and husband Steen are thankful that the colt will at least get his chance with a good trainer at Hastings in Rob Gilker who, incidentally, trained the sales topper's stakes-winning half-sister, Princess Katie.

"It's been an emotional few days," Cathy revealed. "And it's probably still a little early to know how we really feel. We are working class people and we were hoping that he would sell well enough for us to strengthen again at Keeneland in November. That seems unlikely now."

Overall, however, the sale was an enjoyable experience for the hard-working husband and wife team.

"We love what we do," Cathy admitted. "And it was thrilling this week to have a nice horse to show people.

He was a very busy horse and was seen by all the best people." The process of watching their pride and joy go under the hammer was a little more fraught. Steen described watching the bidding as "exhilarating", while Cathy put it more succinctly.

"I felt like I wanted to throw up," she said.

But there were no complaints about where Flyunderthegraydar ended up. "We're just glad that the horse will get a good chance to prove himself with the Gilkers, and they couldn't have been nicer to us about keeping us informed about his progress. That makes the process so much easier when your horse ends up with a trainer you know will give the horse a chance."

Perhaps surprisingly, there were no tears once the hammer had fallen. "Letting him go was the easy part. I went back to the barn and gave him a kiss goodbye and sent him on his way."

In the hours that followed, there were a few self-recriminations. "I've been very successful with Paint Horses and Andalusians at national and international levels," Cathy explained. "And you do wonder if there's anything you could have done differently. You wonder why we do this sometimes. It's like banging your head on the wall and complaining about the pain. At some point you think, 'maybe I should just stop?'"

Thankfully, that seems unlikely. The Reggelsens, who also stand the Grade 1 winner-producing sire Value Plus, have no plans to stop the head-banging just yet.

"Oh no, we're not going anywhere," Cathy confirmed.





**Thank all to all consignors  
and buyers who participated  
in CTHS sales this season**



**CANADIAN THOROUGHBRED HORSE SOCIETY  
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**National Office  
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Rexdale, ON M9W 5L1**

# 2018 CTHS ALBERTA YEARLING SALE SUMMARY



The \$67,000 sale topper was a colt by Colonel John from the mare True Addiction, by Yes It's True sold by Ken Anderson and bought by Norm Castiglione

## Optimism Abounds in Alberta

By Julie Brewster

**T**here was a lot of optimism going into the CTHS Alberta Yearling and Mixed Sale on September 19 at the Olds Regional Exhibition in Olds, AB.

A strong catalogue and construction of the new Century Mile Racetrack & Casino outside of Edmonton were key factors contributing to the feeling that the industry is going in a positive direction. CTHS Alberta President Adrian Munro stated pre-sale, “The 2018 Alberta Sale on paper is the strongest in the last 10 years. It illustrates the optimism for the future of Alberta racing with the 2019 opening of Century Mile. The strength of the

catalogue was enhanced by Alberta breeders making a significant capital investment in new stock. The Alberta mare population increased an astounding 8 percent for the 2017 foaling season. Once again it is our breeders leading the industry.”

The catalogue was divided with a first section restricted to yearlings foaled in Alberta and the second section for foals born in other jurisdictions. The top two sellers were both foaled in Alberta, showing some very clear improvement for local breeders. “We always present the Alberta-breds first, which helps to promote our local product,” said

# 2018 ALBERTA SALE SUMMARY

YEAR	#SOLD	GROSS	AVERAGE	% CHANGE IN AVERAGE
2018	76	\$734,000	\$9,657	-5.63%
2017	81	\$828,900	\$10,233	23.80%
2016	63	\$520,700	\$8,265	-27.30%
2015	63	\$716,300	\$11,370	+ 2.0%
2014	64	\$711,500	\$11,117	+ 33.0%
2013	76	\$634,000	\$8,342	- 2.0%
2012	57	\$487,900	\$8,560	+ 1.0%
2011	35	\$294,000	\$8,469	+57.15%
2010	92	\$511,300	\$5,389	-33.77%

## 2018 TOP PRICES

\$67,000 – UNAMED, C. Colonel John – True Addiction, by Yes It's True Ken Anderson; bought by Riversedge Racing Stables Ltd.

\$53,000 – UNAMED, C. O'Prado Again – Royal Ride, by Pulpit Ken Anderson; bought by Riversedge Racing Stables Ltd.

\$36,000 – UNAMED, F. Flat Out – Mayfield Road, by Yonaguska Cal Britton, Agent; bought by Riversedge Racing Stables Ltd.

\$35,000 – UNAMED, G. The Factor – Ballynoe, by Distorted Humor Highfield Investment Group Inc.; bought by Westana Ranches

\$31,000 – UNAMED, C. Proud Citizen – Seoul Gold, by Medaglia d'Oro Cal Britton, Agent; bought by Westana Ranches

LEADING BUYERS	NO.	TOTAL
Riversedge Racing Stables Ltd.	7	\$228,000
Westana Ranches	5	\$116,000
Don Danard	4	\$70,000
Rod Cone, Agent	2	\$36,000
Dorn Ries	3	\$26,700

LEADING CONSIGNORS / AGENTS	NO.	TOTAL
Ken Anderson	3	\$126,300
Highfield Investment Group Inc.	7	\$115,000
Cal Britton, Agent	5	\$81,900
Moonshine Meadow Ranch	5	\$71,700
Stone Ranches Ltd.	3	\$42,000



**Castiglione's Riversedge Racing also purchased the \$53,000 yearling by O'Prado Again, another from the consignment of Ken Anderson.**

Colonel John and out of True Addiction, by Yes It's True which sold for \$67,000. The colt was purchased by Norm Castiglione for Riversedge Racing Stables Ltd.

The next highest in the sale was Hip 93, a grey colt by Alberta based stallion O'Prado Again, out of Royal Ride, by Pulpit, which was purchased for \$53,000 also by Castiglione.

The two high sellers were both consigned by Ken and Maxine Anderson of Bar 17 Stable in Trochu. Ken and Maxine have been selling yearlings at the CTHS Alberta Sale for more than 25 years and have seen their share of nice horses go through their program. Maxine said "We breed to sell our horses commercially, so I try to not get too attached, but these two were special. I got tears in my eyes when the grey colt (by O'Prado Again) went past his reserve. I'll always have a special place in my heart for him and I wish the team at Riversedge all the best."

Castiglione commented after the sale that their team were very impressed with the top end of the catalogue and the horses. "We had a plan going into the sale to narrow down our top 10 and hoped to purchase three fillies and three colts. We ended up with two fillies and five colts. We rely on our trainer and our team to evaluate the horses and this year the top end was all very consistent. We appreciate how much effort it takes to raise a yearling and get them into sale shape and are happy to see some better quality coming to the sale year over year."

Rounding out the top prices was Hip 70, a filly by Flat Out, out of Mayfield Road, by Yonaguska which attracted a bid of \$36,000. Consigned by Cal Britton, the filly was yet another purchased by Castiglione. Hip 118 a gelding by The Factor, out of Ballynoe, by Distorted Humor was purchased by Westana Ranch for \$35,000 from consignor Highfield Investment Group Inc.

Jean Kruse, CTHS Manager, was encouraged that the venue was at capacity and there were some new owners who purchased for the first time. "The new owners and first-time buyers

sale committee co-chair Maxine Anderson. "Typically our high sellers come from that part of the catalogue. This year our consignors were happy with the facility because it was so horse friendly and located in the central part of the province. Overall, the high end sold well, but the middle and lower market were tougher, which is a similar trend to other jurisdictions."

In total there were 117 yearlings on offer, 76 sold for \$734,000 an average of \$9,657 which is down 7.7 percent from a year ago.

The Annual Thoroughbred Sale follows the Alberta Breeders' Fall Classic, and this year was held mid-week at the Olds Regional Exhibition in Olds, Alberta.

The sale topper was Hip 109, a bay colt by

who were there showed that there is growth in the industry. We had more entries and a strong catalogue so buyers had a lot of choice. Although there was an increase in the number of buy backs and RNAs, many of our breeders are also owners and they continue to be optimistic about the industry. That they made the choice to keep them to sell privately or race themselves shows that they are positive about 2019 and beyond.”

Dale Zukowski is one of the new faces in the Thoroughbred game, but he’s not new to racing in the province. Dale sits on the Alberta Quarter Horse Racing Association board, and is the owner of Bringonthewave, the 2017 Canadian Champion Quarter Horse. Dale purchased his first two Thoroughbreds at the sale and said, “Quarter Horse racing is my first love, but I’ve really grown to appreciate Thoroughbreds.

“I attended the Canadian Derby at Northlands for the first time this summer, and that really inspired me to diversify my interests. I’m really excited to have some Thoroughbreds to race at Century Mile, and I’m just learning about the Thoroughbred Breed Improvement Program. There are a lot of bonuses that make it attractive to have some thoroughbreds in my stable. I did some research and went to the sale with about eight to look at in the catalogue. I thought I might buy one, but the prices were lower than I expected so I ended up getting two which will be a good introduction to that side of the industry for me and my family.”

Owners of Alberta-breds can participate in the Horse Racing Alberta Breed Improvement Program which is a bonus program of over \$900,000 which is paid out through an Owners Bonus, Restricted Stakes races and Yearling Sales Stakes races. New for 2018 was the introduction of the CTHS Canadian Sales Stakes Series with purses of over \$1 million. The series was ratified by CTHS boards in BC, Alberta, Manitoba and Ontario, and is intended to celebrate Canadian-breds and provide increased incentives for buyers to purchase at Canadian sales. **CT**



**MIDNIGHT CROSSING (IRE)**

WINNER OF THE GRADE 3 ROBERT J. FRANKEL STAKES, €65,000 IRISH YEARLING BUY



**GOODYEARFORROSES (IRE)**

MULTIPLE STAKES WINNER & GRADE 1 PERFORMER



**QUEEN BLOSSOM (IRE)**

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IRISH THOROUGHBRED MARKETING

# 2018 CTHS MANITOBA YEARLING SALE SUMMARY



Leading consignor Cam Ziprick and Vasalund, the Going Commando—Midnight Shadow gelding that topped the Manitoba CTHS Yearling Sale with a bid of \$20,000 by Pat Beavis.

GEORGE WILLIAMS

## Looking for Buyers

By George Williams

**T**he 2018 CTHS Manitoba Yearling Sale took place on August 19 at the Red River Exhibition Grounds in Winnipeg and while some of the numbers looked good on paper there was something missing from the dynamic.

Buyers.

Last year 18 yearlings were offered for sale and 12 were sold (67%) for an average price of \$5,987. This year 27 yearlings were offered for sale and although the average sale price was up to \$8,850 (up 47%), only 10 (37%) of the yearlings sold.

Six of the yearlings that sold were from the consignment of perennial leading Manitoba breeder Ziprick Thoroughbreds. Of the \$88,500 in total sales receipts, \$65,300 went to Ziprick

Thoroughbreds, which also sold the \$20,000 sale topper, Vasalund, the seventh horse in the ring and a half-brother to stakes winner Langara. The successful bidder was Pat Beavis, a partner in current Manitoba star Escape Clause.

All the yearlings in the Ziprick consignment were for sale with reasonable reserves.

“You have to get the horses out there,” said Cam Ziprick. “Let the horses run and make you money through the breeders’ bonuses. If they’re not making you money, or the yearling doesn’t attract a high enough bid in the sale, it’s time to move on and get a new mare. You can’t waste your time or anyone else’s time. It’s time to move on.”

Ziprick has often said he’s going to scale back his breeding business, but his horses keep

# 2018 MANITOBA SALE SUMMARY

YEAR	#SOLD	GROSS	AVERAGE	% CHANGE IN AVERAGE
2018	10	\$88,500	\$8,850	+47.8%
2017	12	\$71,850	\$5,988	+2.3%
2016	13	\$76,100	\$5,854	+6.9%
2015	19	\$104,050	\$5,476	-10%
2014	22	\$133,900	\$6,086	+38.5%
2013	21	\$92,300	\$4,395	-19.1%
2012	27	\$146,800	\$5,437	+7.7%
2011	27	\$136,300	\$5,048	+3.2%
2010	30	\$146,700	\$4,890	+3.1%

## 2018 TOP PRICES

\$20,000 - VASALUND, G. Going Commando – Midnight Shadow by Trajectory  
Ziprick Thoroughbreds; bought by Pat Beavis

\$13,100 - D C RANGER, G. Going Commando – Dominant Currency, by Silver Deputy  
Ziprick Thoroughbreds, Agent; bought by Barry Anderson

\$11,100 - QUITE THE STORY, F. Going Commando – Pillow Book, by Maria's Mon  
Ziprick Thoroughbreds, Agent; bought by Barry Arnason

\$10,100 - UNNAMED, G. Signature Red – Russian Jewel, by Wildcat Heir  
Larry Falloon; bought by Gold Medal Stable

LEADING BUYERS			LEADING CONSIGNORS / AGENTS		
	NO.	TOTAL		NO.	TOTAL
Barry Aranson	4	\$37,800	Ziprick Thoroughbreds, Agent	6	\$65,300
Pat Beavis	1	\$20,000	Larry Falloon	2	\$14,000
Gold Medal Stable	1	\$10,100	Walkowski's Thoroughbreds	1	\$5,500
Jerry Lambert & Lynn Mathews	1	\$7,500	Kelly Halliday	1	\$3,700

winning year after year and he continues to buy more mares with the money from the breeders' bonuses, which are especially lucrative for stakes winners. Ziprick was involved in the breeding of five stakes winners this year including Escape Clause, Amaretto, Why So Blue, Hidden Grace and Langara.

Last year he bought seven more mares in foal in Toronto, and one barren mare who was already a proven stakes-producer.

"We're here to promote the breed," said Ziprick. "To breed a better horse, to get a better product out there. I don't know if there are less buyers. The reserves on some of the horses are sometimes too high, which gives the impression that the horses are not really for sale. Some people won't even bid on them. And some don't like to sell unless they get a certain amount for their horses.

"Sometimes you just have to let the horses go, let them do the talking on the track and sell again next year. You can't just breed the same mares year after year and expect people to buy the offspring if the mares aren't producing. You have to put a product out there that people will come running for."

Ziprick recently sold two of his mares to Kelly Halliday, who also had two yearlings in this year's sale. Halliday sold both his yearlings, one in the sale and one after the sale.

"It was kind of a tough sale," said Halliday. "I just didn't have the yearling power this year. I sold hip #5 (a gelding by Going Commando-Let Salt Fly by Salt Lake) to trainer Elton Dickey for \$3,700 through the sale and hip #25 (a filly by True Sense-City Slewitions by Slew City Slew) privately to Mike Nault after the sale. She didn't get a bid."

Halliday works as a technician at Access Communications and lives near Yorkton, Saskatchewan about an hour from Ziprick. He's been breeding Thoroughbreds for about 15 years, sending his mares to Ziprick's to be bred and foaled out. The best horse he has bred to date is the multiple stakes-placed filly Bound to Thrill.

"The only thing that saves you is the breeders' bonuses, if the horses run well," said Halliday. "It's a tough market right now. We'll have to see if buyers increase. I usually have five or six yearlings in the sale and they are all for sale. The breeders' bonuses are lucrative, so it's kind of puzzling why there aren't more buyers. Buying a yearling out of the Manitoba sale is like a buying a lottery ticket. And this year you have a one in 27 chance of winning. At the sales in the

**"You have to get the horses out there. Let the horses run and make you money through the breeders' bonuses."  
~ Cam Ziprick**

U.S. you have to pick through 4-5,000 yearlings and when you run them here you're not eligible for any of our incentives."

Breeder Guy Kling had four yearlings in the 2018 sale but bought them all back. Kling won the restricted Buffalo Stakes on the final day of the Assiniboia Downs meeting this year with Rascal Candy, a gelding he bred, owns and trains himself. Rascal Candy was the first stakes winner bred by Kling since Wild Ruler, who won the Buffalo Stakes in 2002. The gelded Manitoba-bred son of Rascal Cat-Yankee Candy by Candy Ride did not go through the local yearling sale, but his full brother did this year.

"He didn't reach his reserve," said Kling. "I think we had it set at \$19,500."

Anything close to a \$20,000 reserve in a Manitoba yearling sale would generally be considered excessive, but in this case, Kling may have been right to buy back his youngster based on his brother's recent stakes win.

Kling also bought his other three yearlings back after they failed to reach their reserve bids, which ranged from \$4,500-\$9,500, but he doesn't expect to remain in the breeding business for much longer. He's planning to sell his remaining mares in Alberta.

"There are not enough buyers," said Kling. "It's tough. It's hard to put it into words. When you go to that much trouble to breed or get decent mares. Claiming a mare, the stud fee and the hauling and the training. I do it all myself, but I don't know what it would cost for someone who doesn't."

Unless you buy the winning lottery ticket, hip #... **CT**



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# 2018 CTHS ONTARIO CANADIAN PREMIER YEARLING SALE SUMMARY



DAVE LANDRY

Bill Rowntree from Willow Ridge Farm Thoroughbreds Inc. with the sale topper from the CTHS Canadian Premier Yearling Sale, an Old Forester filly out of Dicey Girl that sold for \$125,000 to Michael Lay and partners.

## Balancing Act

By Jennifer Morrison

**A** variety of buyers and a slightly stronger catalogue were the positive threads taken away from the 2018 Canadian Premier Yearling Sale, organized the CTHS (Ontario) and held at the Woodbine sales pavilion.

For the first time since 2014 and the first time since the sale combined its select and open yearlings in one session, the average and median price realized increases. The tale of the tape showed 152 horses selling for \$2,816,900 and an average of \$18,532, up four percent from 2017. The median of \$10,500 was up 7.5 percent.

While the wide range of new and old faces

signing sales receipts was encouraging, many purchased just a single yearling. Others were shut out as a whopping 37 percent, or 90 horses from the 242 that entered the ring, did not meet their reserve and were bought back by the breeder and/or consignor.

“It was very, very tough going. We just don’t have the buyers [at the sale],” said Richard Hogan, who sits on the CTHS sales committee and was the sale’s leading consignor by gross sales. “It’s actually a combination of [lack of buyers] and getting some breeders to keep a horse or two here to sell rather than selling in Kentucky.”

# 2018 ONTARIO SALE SUMMARY

YEAR	#SOLD	GROSS	AVERAGE	% CHANGE IN AVERAGE
2018	152	\$2,816,900	\$18,532	+4.1%
2017	287	\$3,630,000	\$17,794	-7.5%
2016	181	\$3,481,800	\$19,236	-7.6%
2015*	203	\$4,255,400	\$20,815	-17.8%
2014	195	\$4,939,000	\$25,328	+60.7%
2013	212	\$3,342,100	\$15,765	-9.3%
2012	255	\$4,432,300	\$17,382	-20.7%
2011	277	\$6,070,100	\$21,914	+30.2%
2010	294	\$4,946,600	\$16,825	-7.7%

\* Inaugural one-day combined sale

## 2018 TOP PRICES

\$125,000 - UNNAMED, F. Old Forester - Dicey Girl, by Yonaguksa Willow Ridge Farm Thoroughbreds Inc., Agent; bought by Michael Lay
\$110,000 - UNNAMED, C. Society's Chairman - Colbra, by Silver Train Shannondoe Farm, Agent; bought by Catherine Day Phillips, Agt.
\$110,000 - UNNAMED, C. Society's Chairman - Delray Beach, by Harlan's Holiday Richard G. Hogan, Agent; bought by Colebrook Farms
\$110,000 - UNNAMED, F. Souper Speedy - Harbour Vixen, by Rockport Harbor Woodlands (Gail Wood), Agent for Minshall Farm; bought by Al & Bill Ulwelling
\$90,000 - UNNAMED, F. Souper Speedy - Cumulonimble, by Stormy Atlantic Richard G. Hogan, Agent for Ron Clarkson; bought by Derek Chin
\$75,000 - UNNAMED, F. Goldencents - I Got This by Borrego Susan Y Foreman, agent; bought by William and Anne Scott
\$75,000 - UNNAMED, F. Majesticperfection - Kid's Collection by Lemon Drop Kid Richard G Hogan, agent for Tall Oaks Farm; bought byBoomer Bloodstock, agent
\$70,000 - UNNAMED, F. Karakontie (Jpn) - French Dip by Speightstown Spring Farm; bought by Bear Stables

LEADING BUYERS	NO.	TOTAL
Colebrook Farms	2	\$140,000
Entourage Stable	5	\$136,000
Michael Lay	1	\$125,000
Al & Bill Ulwelling	1	\$110,000
C. Day Phillips, Agt.	1	\$110,000

LEADING CONSIGNORS/AGENTS	NO.	TOTAL
Richard G. Hogan, Agent	17	\$379,500
Hill 'N' Dale Sales Agency, Agent	18	\$370,000
Shannondoe Fam, Agent	11	\$261,000
Spring Farm	12	\$226,500
Andrew Stronach	16	\$198,000

**“I got the bug! I just find it so interesting. And it’s on my bucket list to have a good stakes horse.” ~ Jim Bruce, La Huerta Stable**

Some newer faces at the sale and prominent local syndicates were responsible for most of the top priced horses.

The top price of \$125,000 for a daughter of perennial leading Canadian stallion Old Forester, was the first six-figure horse to sell at the sale since 2015 and four yearlings reached over \$100,000 or more, also the best since 2015.

The sale topping filly, bred by Peter Hansen’s Bay Ridge Orchards in Meaford was the second sales-topper for her dam, Dicey Girl, a daughter of Yonaguska. Her 2016 yearling filly by Justin Phillip, now named Safe to Say, a multiple stakes winner, was a co-sale topper at \$95,000.

Consignor Bonnie Greener Rowntree of Willow Ridge Farm encouraged Jennifer Leuty to claim Dicey Girl in 2010 on behalf of Hansen, Leuty’s cousin. The Old Forester filly is the fourth foal of Dicey Girl and she was foaled on April 30 last year.

Stepping up to buy the sleek bay was a group of owners including trainer Don MacRae. MacRae’s longtime owners Michael Lay and Mike Loughrey joined forces with the relatively new father and son team of Jim and Graeme Bruce. The Bruces, from North Bay, race as La Huerta Stable, named after their fruit and vegetable business. Their first horse was Arthur’s Pass, claimed two years ago. They recently bought into three other runners before taking their first dip into the yearling pool.

“I got the bug!,” said Jim Bruce. “I just find it so interesting. And it’s on my bucket list to have a good stakes horse.”

The personable Bruce boys also own the Powassan Voodoo’s Junior A Hockey team in North Bay.

Three horses sold for \$110,000 including two colts by Society’s Chairman, the brilliant stakes winning son of Not Impossible (Ire) standing at Janeane and James Everatt and Arika Everatt-Meeuses’ Shannondoe Farm in St. Thomas.

A striking chestnut from the mare Colbra was bought by a group of owners including David Anderson’s Anderson Farms with Catherine Day Phillips.

Colbra, named for Everatt-Meeuse’s children, was a weanling purchase meant to be re-sold but she did not make a sale as a yearling and then suffered an injury in a sizzling workout as a 2-year-old sale in 2012.

Everatt-Meeuse decided to try and breed the mare and her first foal is winner Colby Ol’ Fashion (ON). The Society’s Chairman colt, nicknamed Casey, was “one of the nicest horses I have ever been around”, said Everatt-Meeuse.

The second Society’s Chairman colt that brought \$110,000 was bred by Greener Rowntree and sold by Hogan who had purchased the youngster as a weanling. Produced from the winning Harlan’s Holiday mare Delray Beach, dam of stakes winner Hopping Not Hoping, the colt was bought by Colebrook Farms.

“I would have loved to keep a piece of that horse,” said Hogan. “I loved him. He’s got everything.”

Canada’s exciting first year sire, Souper Speedy, who sired both 2-year-old stakes winners on Canadian Millions night, Aug. 29, was popular with buyers. His \$110,000 filly from the mare Harbour Vixen (Rockport Harbor) was bred by Minshall Farms and sold by Gail Wood’s Woodlands Farm to Bill and Al Ulwelling from Louisiana. The Ulwellings only recently started racing a string of horses at Woodbine and started breeding mares in Ontario this past spring.

Souper Speedy’s \$90,000 bay filly is from the stakes winning mare Cumulonimble, who is the dam of the good Canadian bred filly Ms Bad Behavior, who is graded stakes placed this year. Bred by Ron Clarkson and sold by Hogan, the yearling filly was bought by Derek Chin, who won two yearling sales stakes races on Millions night including the Simcoe with his Souper Speedy colt Blessed Two.

Other buyers at the sale included Craig Rounsefell’s Boomer Bloodstock from California who signed for a \$75,000 filly for Frank Mermenstein by Majesticperfection bred by Ivan Dalos and sold by Hogan.

Many Ontario sale-stalwarts were back: Bear Stables, Robert Tiller, Frank DiGiulio,



Colebrook, Ricky Griffith and Steven Duffield, Roger Attfield, Bill and Anne Scott and Rocco D'Alimonte and Frank Annechini. And there some new but familiar faces who purchased horses such as George Bigliardi, who had been racing homebreds recently, John Hillier of Love 2 Win Stable and trainer Terry Jordan, who has not raced a horse since 2012.

Horse of the Year Pink Lloyd's ownership group Entourage Stable, led by DiGiulio, purchased five babies for \$136,000.

The strength and popularity of the Ontario Sired Program was evident as all top five prices were by local sires. However, the outstanding individuals, physically, also continued to be the main attractions.

"I think buyers were more willing to pay for the good ones and more good ones showed up at this sale," said Everatt-Meeuse. "As always there was a shortage of buyers at the middle range but again, better than previous years. It was good to see a few Americans taking advantage of the exchange rate and hopefully that will continue to increase if they are happy with their purchases for next year. Here's hoping the confidence [in the industry] and market is starting to come back for the local horse." **CT**

**THE HEIR APPARENT  
WILL RETURN  
TO THE KINGDOM  
OF ONTARIO**

**...AND THINGS  
WILL NEVER  
BE THE SAME**



DAVE LANDRY

# The Positive Impact of Breeder Awards

**T**horoughbred breeders are the heart of the racing industry. They are a patient lot that enjoy the meticulous work of reviewing pedigrees, comparing race results, and the long hours working with horses. But theirs is a long game with high stakes. With a minimum of a four year window, and most often five, to bring a racehorse to the track, breeders are also among the industry's most high rolling gamblers.

A conservative analysis of the costs of breeding reveals that many thousands of dollars are invested in a broodmare to produce a single yearling:

- Farrier = roughly \$500/year
  - Broodmare Board = \$12,000 - \$21,600 (\$500-\$900/month for 2 years)
  - Vet for mare = \$2,500 (\$2,000/estrus cycle + \$500 maintenance)
  - Stud Fee = \$1,000 - \$10,000 (and well beyond)
  - Board for foal = \$6,000 - \$10,800 (\$500-\$900 weaned at 5 months board 1 year)
  - Vet for yearling = \$1,500 (Vaccines, wormers, and x-ray for sale)
- TOTAL = \$23,500 - \$46,900**

A breeder's investment is easily between \$23,500 and \$46,900 per yearling depending on where in Canada the horse is kept. Note that this does not include the purchase price of the broodmare or serious vet costs in case of complications with the broodmare or foal. Yet sales averages across Canada are well below that. Ontario has the highest average in the country at \$18,500 at the 2018 yearling sale, British Columbia reported \$14,865, Alberta \$9,657, and Manitoba just \$8,850.

The costs increase if the yearling is kept on to become a racehorse:

- Farrier = roughly \$1,000/year
  - Vet = \$500
  - Board = \$6,000 - \$10,800 (\$500 - \$900/month for 1 year)
  - Breaking = \$2,400 - \$3,600 (\$40-\$60/day for 60 days)
  - Training = \$9,000 - \$16,200 (training \$50-\$90/day 6 months)
- TOTAL = \$18,900 - \$32,100**

	<b>NEW YORK</b>	<b>PENNSYLVANIA</b>	<b>MARYLAND</b>	<b>ONTARIO</b>
How many TB racetracks?	4 (Finger Lakes, Aqueduct, Belmont Park, Saratoga)	3 (Parx, Penn National, and Presque Isle)	3 (Laurel Park, Pimlico Race Course, Maryland State Fair at Timonium)	2 (Woodbine & Fort Erie)
How many race dates in 2017?	229 days at NYRA	450 race dates	178, nine more than last year.	173 (133 + 40)
How many races?	3272	3776	1649	1547 (1237 + 310)
How many state-BRED restricted races are run?	811 (25% of all races) - 277 at AQU, 247 at BEL, 98 at SAR, 189 at FL	Average over 400 annually the past 6 years (11% of all races) including 22 with purses of \$100,000	54 (3.2%) - In 2017 there were 37 Maryland-restricted allowance races and 17 Maryland-bred stakes.	250 (249 at Woodbine and 1 at Fort Erie)
How many state-SIRED restricted stake races are run?	10	1	11 during Maryland Million Day in 2017	20
How much money is reserved for state-BRED breeder awards?	Breeder Awards = \$10,643,537 Stallion Awards = \$2,615,534 Total = \$13,259,071	Breeder Awards = \$10,351,996 Stallion Awards = \$1,681,863 Total = \$12,033,859	Breeder Awards = \$4,083,948 Stallion Awards = 592,715 Total = \$4,676,663	Breeder Awards = \$2,593,000 Stallion Awards = \$266,000 Total = \$2,859,000
How much money is reserved for state-SIRED restricted races?	\$1.1 million - NYRA runs the New York stallion stakes series which consists of 10 races for New York sired only horses. Beyond that there are not NY sired restricted races.	The whole card of the Pennsylvania day at the races is for PA-breds which includes one race for PA-Sired horses.	\$1,020,000 on Maryland Million Day in 2017	\$750,000
How many starters in 2017? (From JC)	5,899	6,325	4,029	2,374
How many stallions bred in 2017?	61	41	32	50
How many mares bred in 2017?	1,333	629	775	906

With the additional costs, the investment in a single 2yo racehorse is between \$42,400 and \$79,000 and many won't race until their third year further increasing the investment to \$61,300 - \$111,100.

In recognition of the importance of breeders as the engine of the racing industry, and since breeders aren't always able to make a living selling their stock at the sales, many jurisdictions have introduced bonus payments to the breeders of horses that perform well on the track; the more prestigious the race, the greater the


reward. In many cases, these rewards are for the lifetime of the horse, regardless of ownership.

Done well, these programs support a vibrant racing industry allowing breeders to improve the quality of their stock which in turn elevates the quality of racing at the track. It's a powerful positive cycle which also benefits the rural economies as caring for horses is highly labour intensive.

When these programs are underfunded or unstable, however, the entire industry suffers. Breeders downsize operations or close them

completely. The result is fewer horses at the track creating a shortage of horses to race. Since handicappers prefer to bet on full fields the handle is affected and racetracks struggle to stay afloat. To accommodate the decline, fewer race days are offered which gives breeders and owners even less opportunity to realize a profit and the downward spiral continues.

In this series, we take a closer look at breeder award programs in four different areas: How have they prospered? What problems have they encountered? How are they funded? **CT**



# Thoroughbred Breeding Programs Case Study: NEW YORK

By Perry Lefko

**N**ew York has once again become a big apple in the United States with its thoroughbred racing and breeding program.

New York has four tracks – Belmont Park, Aqueduct and Saratoga operated by the not-for-profit corporation New York Racing Association, and Finger Lakes Gaming & Racetrack owned by Finger Lakes Racing Association, which is a subsidiary of Delaware North Companies. The tracks are thriving with solid purse structures because of money derived from video lottery terminals (VLTs). Aqueduct had VLTs installed in 2012 after some lobbying by horsemen to the state legislature, while Finger Lakes embraced VLTs in 2004.

For every dollar bet on VLTs at New York Racetracks, 4 percent goes to NYRA for capital improvements, 8.75 percent goes to purses, and 1.25 percent goes into the New York Thoroughbred Breeding And Development Fund that redirects bonus award money for horsemen of either New York-breds and/or New York-sired horses. The breeder of a New York-bred that wins a race receives 30 percent of the purse up to \$40,000. There are also rewards of 15 percent each for the second- and third-place finisher. For New York-breds that finish in the top three but are by non-New York sires, the awards are half as much. Owners

of a New York stallion whose progeny finish in the top three in a race receive 10 percent of the purse up to \$10,000.

The Breeding and Development Fund was instituted in 1973, but the VLT money substantially helped to put a premium on New York-bred and New York-sired horses.

Additionally, a law was passed that guaranteed 600 races a year for New York-breds.

Jeffrey Cannizzo, who has been the Executive Director of New York Thoroughbred Breeders Inc. for 10 years, said when VLTs were added at Aqueduct it made a huge difference to the financial bottom line of the state's racing and breeding programs.

"New York has always had a strong program, typically the strongest purse structure in the country, but once VLTs came to fruition it started supplementing the breeding fund and also the purses at NYRA," Cannizzo said. "It just further strengthened our position in the industry."

Cannizzo said the money for all NYRA purses has increased by \$60 million because of the VLTs revenue. He added the Breeding And Development Fund has spiked 100 percent and is up to \$20 million in revenues each year.

"(VLTs) have had a huge effect financially on our industry here, and we've seen the subsequent results with our foal



crop increase, which is basically a 40 percent increase since the inception of the VLT program,” Cannizzo added.

Of the estimated 20,539 foals registered in the US in 2016, New York represented 7.2 percent, fourth overall behind Kentucky (40.6 percent), Florida (9.9 percent) and California (8.6 percent). Total earnings from New York-breds placed third overall with more than \$86 million, with Kentucky first with more than \$459 million and Florida second with more than \$102 million.

Joe McMahon, who along with his wife, Anne, operate McMahon of Saratoga Thoroughbreds, which was founded in 1971, said the overall situation prior to the start of the VLTs commencing at Aqueduct was “a very bad time” in which a lot of farms closed because they could not financially afford to continue operating.

“When the (VLTs) finally did get started, there’s been a total turnaround,” said McMahon, who is one of the co-breeders of 2003 Kentucky Derby and Preakness winner Funny Cide. “The purses have skyrocketed. NYRA got out of its political mess they were in with the State, so that situation has been calm now. Things are pretty good, right now, very good. The difference from 20 years ago is huge. That (time) was just terrible, everything was very bad.”

Joe Appelbaum, President of the New York Thoroughbred Horsemen’s Association which represents NYRA horsemen, said the state of Thoroughbred racing at the NYRA tracks is “very solid.”

“I think there’s some real highlights in the strength of our stakes schedule, which is the envy of the country, if not the world,” said Appelbaum who has been a racehorse owner in New York for 15 years, has been a breeder with partners for 12 years and is a partner in a New York stallion.

“I think we have a depth of horsemen that is really strong,” he added. “We have a growing state-bred program in strength, numbers and quality, which has really been an anchor for us year round.”

Dr. Jerry Bilinski, whose Waldorf Farm has about 150 mares and stands two stallions, said the New York racing program is doing “fantastic” overall.

“All the farms are doing great,” added Bilinski, who has been breeding horses



**“We have a growing state-bred program in strength, numbers and quality, which has really been an anchor for us year round.”**

**~ Joe Appelbaum, President of the New York Thoroughbred Horsemen’s Association**

since 1974. “The breeders’ awards are keeping us afloat.”

Appelbaum said the slot money helped in several ways.

“It helps fund the breeding program and the number of mares producing in state have gone up amazingly,” Appelbaum said. “It’s been a huge benefit to jobs in rural areas and agribusiness. NYRA benefitted by getting money directly to their operating account and money to a capital expenditure account to upgrade portions of the track and money that goes into the purse account. Breeders have benefitted amazingly. New York-bred races are run for great purses and the breeding fund gives out great benefits.

“The funding from the VLTs has worked just as intended – by getting more people to bring their mares here. It’s benefitted horsemen, too, as purses have gone up.” **CT**



# Thoroughbred Breeding Programs Case Study: MARYLAND

By Perry Lefko

**T**horoughbred racing and breeding are thriving in Maryland following a remarkable turnaround for the industry. Only a decade ago the state lost nearly 80 percent of its stallions, mares and foals to neighboring states that offered greater financial incentives.

The decision in 2010 by the Maryland state legislature to invest slot money from casino video lottery terminals into the breeding industry is credited with helping to re-energize and revitalize the breeding industry in the state. In addition, the program had an enormous economic effect in Maryland valued at \$1.6 billion and accounting for over 28,000 jobs.

“Slots came to Delaware first, then to West Virginia and then Pennsylvania and all during those years we were advocating to our legislature that we needed to be competitive,” said Cricket Goodall, Executive Director of the Maryland Horse Breeders Association. “Maryland wasn’t able to compete at the racetrack and consequently in the breeding numbers because people were going where they could make more money with their horses.”

The close proximity of neighbouring states meant that it was convenient and more rewarding for breeders to support lucrative programs in the other states. “That’s when times got really rough for the farms,” Goodall continued. “2012 was the lowest production number for Maryland-

bred foals. It took awhile for the (state) to pass slots here, then to implement them and to get the money flowing. It was a challenge for the legislature to agree.”

Mike Pons, who operates Country Life Farm with his brother, Josh, President of the Maryland Thoroughbred Breeders Association, said money from the VLTs provided a financial panacea.

“The secret ingredient has been the cash,” said Pons, whose farm bred the great Cigar. “It solved a lot of ills. Everything was here; it just needed a transfusion of cash. That’s what the slots have done. It’s been interesting to see what’s happened here in just the last four or five years. It’s very exciting.”

Through the Purse Dedication Account supervised under the authority of the State Racing Commission, 1 percent of the VLT revenues fund the Racetrack Facilities Renewal Account while 6 percent (capped at \$100 million per year) are allocated to racing, with 80 percent going to the thoroughbreds and 20 percent to the Standardbreds. For the thoroughbred industry that amounted to about \$55 million last year, 89 percent of which was directed to the purse account and 11 percent to the breeding fund.

The number of annual race dates has increased since 2015. This year nine additional racing programs were added to increase it to 178 from 169 the year before. Laurel has 159 dates, Pimlico 12 and Maryland State Fair

seven. Moreover, the racing schedule has continued uninterrupted this year because the Maryland Jockey Club wanted to take advantage of increased simulcasting opportunities.

Last year, there were 1,649 races – the highest since 2007 – running for a total amount of more than a record \$56.3 million. There were a total of 4,029 starters – the most since 2008 – and a total of 12,932 starts. The average purse per race is \$34,168.

The number of Maryland-bred starters last year totaled 1,150 – the most since 2013 – posting 7,087 starts – the most since 2014.

The foal crop has gone from 370 in 2012 to 629 as of 2016 (the 2017 figures haven't been released by the Jockey Club, but Goodall expects a slight increase). It represents almost 3 percent of the entire North American foal crop.

In 2016, the Maryland state legislature put forward a \$500,000 bonus to be split evenly between the winning owner and breeder of a Maryland-bred that wins the Preakness, the second leg of the U.S. Triple Crown that takes place at Pimlico.

The legislature also committed \$500,000

a year to revive the D.C. International Stakes, one of the premier grass races in North America, under the new name of Baltimore Washington International Turf Cup. It may happen by 2019.

Collectively, it's been a remarkable turnaround.

"The market was dead; it's been a nice, slow revival, simply because you just needed more cash," Pons said. "We were hurting. We were on IV. It was really bad. I have two farms and employees and everything and I was thinking 'what are we going to do here.' We were really in a box."

Pons said once the subsidies were in place and the percentages defined, the Maryland Racing Commission brought together the racetracks, the breeders and the horsemen from both the thoroughbred and standardbred and signed a long-term agreement so the individual entities would work as one.

"When the watering hole got really small, a lot of the critters got more aggressive, but once we all got drinks and didn't stay very long it was a lot easier coming and going," Pons said. "That's really what's happened in Maryland racing." **CT**

**"Maryland wasn't able to compete at the racetrack and consequently in the breeding numbers because people were going where they could make more money with their horses."**

**~ Cricket Goodall,  
Executive Director of  
the Maryland Horse  
Breeders Association**





# Thoroughbred Breeding Programs Case Study: PENNSYLVANIA

By Perry Lefko

**A**n influx of cash isn't the only solution to a viable racing industry, breeders also need to be certain of long-term funding. Pennsylvania is an excellent case study of how a breeding industry will rapidly decline without such assurances, but recent legislative changes have the state on the verge of a second wind.

Since 2010, Pennsylvania thoroughbred and standardbred horsemen receive almost \$250 million a year from 12 per cent of slot revenue to support the State Racing Fund. The horsemen's revenue from slots in 2017 amounted to \$239 million of which the thoroughbred industry received about \$139 million, and of that 16 <sup>2</sup>/<sub>3</sub> percent (about \$23 million) went to fund the thoroughbred breeding program.

In addition to funding purses, pensions, healthcare, and breeder awards, that fund was also supposed to accumulate a reserve supply of cash to safeguard the industry against any changes to the financial structure. Instead of saving that money, however, the state's General Assembly appropriated those funds to cover shortfalls in other non-racing areas.

As a result of a new bill that was passed last October, those days are over. The bill introduced the Race Horse Development Fund as a restricted account and neither the horsemen nor the government can use the funds for anything

other than what was legislated. Moreover, there is a claw back clause so that if the government does use this money in future they will be required to repay that plus the approximately \$220 million that they took previously.

"Because of money being taken from the fund for other uses not related to racing, investors and breeders were skeptical about the long-term viability of the fund which depressed the numbers of mares bred," said Brian Sanfratello, Executive Secretary of the Pennsylvania Horse Breeders Association. "Once the Racehorse Development Trust was approved by the Legislature the investors and breeders were more confident and have started to invest in the state breeding program again."

For the last six years, Pennsylvania has been offering \$30 million a year in breeder awards, owner bonuses and restricted races. For maiden races, breeders receive 50 percent of the purse, while it is 40 percent for everything else. For horses that were sired by a Pennsylvania stallion, the bonus is 25 percent and 20 percent. There is a 10 percent bonus for the owners of Pennsylvania-sired horse.

With the new long-term protection, the state will start to see the true benefit of that investment in the breeding industry.

"We have the best breeding program in the country," noted Sanfratello. "There is no other



state, including Kentucky, (that compare) as far as breeders' awards, etc. are concerned. The breeding program was not in financial trouble, but there's no doubt the money from the slots has been an unbelievable boost to our breeding program."

Though there was considerable debate within the state about diverting the slot funds to the racing industry, the industry is quick to point out that it was thanks to the horseman that the state even got casinos in the first place.

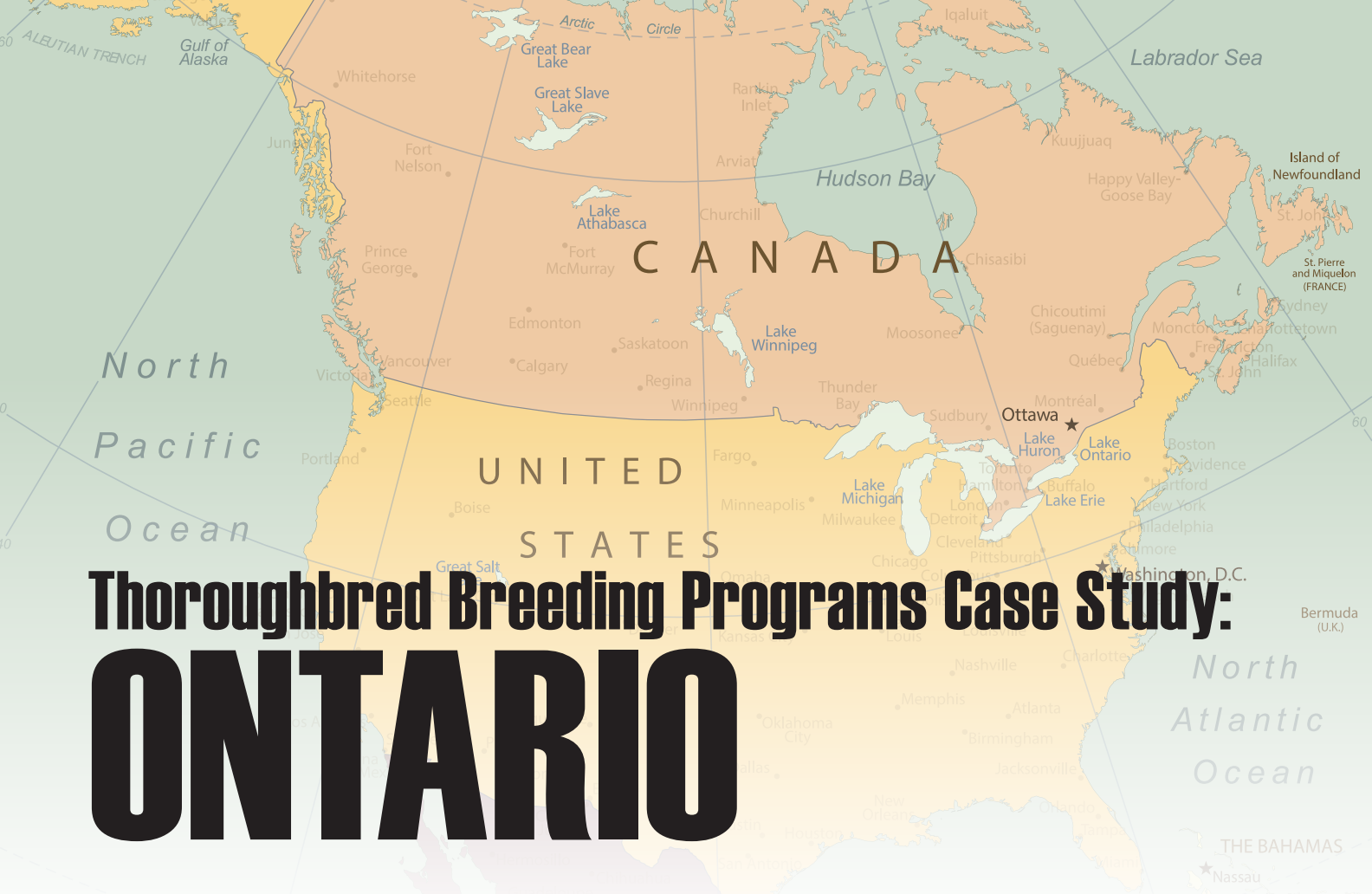
"Without the horsemen granting their approval, there would be no casinos (for the state) and they wouldn't be making hand over fist (from tax revenue)," said Bob Hutt, President of Uptowncharlybrown Stud LLC, a Pennsylvania thoroughbred management company that is a stallion operator, breeder and racehorse owner. "Therefore the horsemen should be protected."

Glenn and Becky Brok, who operate Diamond B Farm, which stands four stallions, including Uptowncharlybrown, received about \$450,000 in breeders' and stallions' awards in 2017 to lead the Pennsylvania Breeding Fund Program Awards. The year before Northview Stallion Station Inc. made almost \$375,000. In both cases, they did not own any racehorses.

While it may not have the same reputation of some of the prominent racing and breeding states in the United States and despite the depletion of its funds, Pennsylvania's racing and breeding is holding its own in the top-10 in various categories and, in some cases, the top five, in the United States. **CT**

**“Without the horsemen granting their approval, there would be no casinos (for the state) and they wouldn't be making hand over fist (from tax revenue) therefore the horsemen should be protected.”**

**~ Bob Hutt, President of Uptowncharlybrown Stud LLC**



# Thoroughbred Breeding Programs Case Study: ONTARIO

By Perry Lefko

**O**ntario's Thoroughbred Improvement Program (TIP) was created in 1974 by the former Ontario Racing Commission along with members of the breeding and racing industries. A part of the Ontario Horse Improvement Program, TIP was designed to provide a variety of incentives for breeders and owners with the primary goal of increasing the quality and value of Ontario-bred racehorses.

Funding for the program has changed dramatically over the years. Originally a percentage of the wagered dollar was provided by the government. During the era of the Slots-At-Racetrack-Program (SARP) additional funds were channeled to the breeders who saw the program peak at \$22 million in 2007.

Such funding resulted in a booming industry that was the envy of North America. In fact, the program has since been copied by many areas across the continent – including Maryland, Pennsylvania, and New York - that now boast thriving racing and breeding industries.

Since the announcement of the cancellation of SARP in 2012, the TIP program is now largely funded by a 3 percent levy (split evenly between Standardbreds and Thoroughbreds) on Ontario customers wagering on Ontario tracks. As on-track wagering has decreased in the province, so has the TIP budget and the 2018 program features \$12.74 million and will be further reduced by about \$1 million in 2019. Overall,

the budgeted expenditures for TIP in 2018/19 declined by about 15 percent from the 2017/18 budget.

The effects of this funding change have had a devastating impact on the breeders in rural Ontario. At the height of the program in 2011, Ontario was home to 95 stallions that bred 1,470 mares which represented 3.7 percent of mares bred in North America. In 2016, Ontario recorded just 62 stallions that bred 894 mares which was just 2.5 percent of North America.

The lack of funding has caused the value of horses to drop precipitously. The average sale price at the 2011 sales was \$21,914 from 277 yearlings sold, but in 2018 just 152 yearlings sold for an average of \$18,532. This decline has forced some breeders out of the business or to cut back, which has lessened the horse population due to smaller crops which has in turn created a horse shortages for both Woodbine and Fort Erie.

In an attempt to mitigate the damage to the racing industry, the provincial government announced a long-term funding agreement. Introduced in March by the majority Liberal government, which has since been replaced by a Progressive Conservative majority, the agreement is scheduled to begin April 1, 2019 and will provide up to \$105 million a year, plus additional supports for smaller racetracks and those that are experiencing financial shortfalls.



While many in the industry support the initiative, the Canadian Thoroughbred Horse Society has declined to sign the agreement. The organization is particularly concerned that the TIP program, which they have administered since 1993, would no longer be under their control.

“Breeders know what breeders need and want,” said Peter Berringer, President of the Ontario Division of the CTHS.

In a letter to their members, the board of the Ontario CTHS explained why they cannot support the new long-term agreement.

“The breeders had 12 business days to assess the entire restructuring of the horse racing industry in a legal document of nearly 200 pages,” the letter said. “Not fully understanding or not being in full agreement wasn’t an option open for negotiations! It was continually stated it didn’t matter if horse industry participant organizations, the investors, the horse producers and participants signed the 19-year deal for the future or their livelihood. It was only the racetrack operators who were important.

“It is our duty as a Board to do what is in the best interest of the Breeders in the province and the OR Membership Agreement as drafted did not provide enough assurance of our continued involvement in the development of the Thoroughbred Improvement Program that has been managed by the CTHS for over 25 years (and) is the only avenue for direct funding for breeders of Ontario. It is to be taken over by OR, who in turn will allow Ontario Racing Management, a subsidiary of Woodbine Entertainment, to administer and manage the program going forward... The horse industry needs participant input for a successful future

for Ontario Breeders.”

The CTHS Ontario reached out to the Ontario Lottery and Gaming Corporation, which works with the horse racing industry to provide support, seeking one amendment that asked for a five-year period of status quo to allow the breeders to manage TIP, but the request was declined.

Aside from the issues surrounding the TIP program, Berringer also noted that the agreement does not take inflation into account.

“The problem is there is no room for growth for the Thoroughbreds or any indicator for inflation during this 19-year period,” he said. “Something is going to have to give or there’s going to have to be some new revenue streams. Twenty years ago minimum wage was \$6 and gas was 50 cents a litre. Now minimum wage is \$15 and gas is \$1.35 a litre. The same money is not going to work 20 years from now. It’s difficult for the breeders to sign off on that or agree to it. Our breeders are dependent on and are accustomed to breeders’ awards and bonuses and that’s what has kept them going.”

While it’s true that the breeding industry across North America is shrinking, Ontario’s is shrinking much faster. The Jockey Club estimates a 2016 North American foal crop of 22,500 down 10 percent from 2011, but in the same time frame Ontario’s foal crop has shrunk by 37 percent.

“We’re all struggling,” noted Berringer. “Breeders are struggling to make money at the sales. Stallion owners are struggling to get mares. Everyone is struggling right now. We’re at a real crossroads and we need stability. The breeders of Ontario can’t take much more.” **CT**

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