

Down on the Farm



Mare Buying Strategies in the Year of MRLS

by **BETTINA COHEN**

It's a popular perk of the California breeding program. Go to Kentucky. Buy a mare in foal to a Kentucky stallion. Bring her home and breed her back to a California stallion. You get to register the foal by the Kentucky stallion as a Cal-bred, which makes the foal eligible for additional purse money. Any time that horse earns a share of a California purse, you, the breeder, receive a bonus.

The Keeneland November Breeding Stock Sale was expected to have fewer mares catalogued for its Nov. 4 through 18 dates than in recent years. (Numbers were to be released Sept. 19.) The expected reduction would be due to Mare Reproductive Loss Syndrome (MRLS), which left more mares in Kentucky barren than usual.

In early September, MRLS concerns for Kentucky mares were lingering on the minds of buyers who attend the world's biggest broodmare market. Rollin Baugh, a California-based bloodstock agent with an international clientele, is reminding clients, "This is a risk-taking business. Now you have

just another risk that you're trying to get your percentages figured out on."

Buyers will probably factor the added risk into their spending. They won't count on future income from the sale of an unborn foal. Open mares might be in demand, as some buyers worry there will be another storm of late term abortions next spring. Others see it the opposite way.

"My concern would be more with the barren mares than the mares that are still carrying," said bloodstock agent Mary Knight, who believes the fetuses that survived Kentucky's spring insult should be no less viable than in normal years, come November.

"People will react to the problem depending on their own, individual, psychological profile, whether they're risk-adverse or not," said Kathy Berkey, of Berkey Bloodstock Services, Inc. "The people who want to, in my opinion, overreact, maybe won't go. Or maybe they'll only buy open mares. Or maybe they'll reduce the amount that they'll pay for any given mare, and value more the mare herself, rather than the foal she's carrying, just in case there's something wrong with the foal."

"People want mares," said Andy Havens, of Havens Bloodstock Agency. "It's just going to come down to whether we think we can buy them, and not hang ourselves out to dry. We've got to have all these blanks filled in between now and then."

Havens and Knight would feel more confident if there was more information available. A team of scientists spent the summer analyzing data from a survey seeking to identify MRLS risk factors on Kentucky farms. Recommendations for preventing or minimizing exposure to risk of MRLS were expected by the end of September. Berkey and Baugh feel the survey findings will not help in determining the viability of current pregnancies.

Apart from the research team, some reproductive veterinarians have been doing their own studies, by monitoring pregnancies with ultrasound. Preliminary results of one study found no significant differences in fetal fluids and heartbeats between mares bred in Kentucky and in Florida, as pregnancies progressed. Another early report from a vet who has experience with fetal sexing ultrasounds also was encouraging.

Information, Please

Equine insurance underwriters asked more questions on prospective foal applications this year, and requested later stage ultrasounds. Prospective foal insurance for mares bred in Kentucky was limited this season. Availability of prospective foal insurance will be a factor in buyer confidence.

Havens, who provides equine insurance through his agency, said that when underwriters are not willing to take a risk on the prospective foal market, "It's a real vote of no-confidence." Guidelines about care relative to the cause of MRLS could help buyers form their strategies, and encourage the insurance markets to come back in at a reasonable level, he said.

Bloodstock agents, like the underwriters, might request additional information from consignors. Under any circumstances, "All purchasing of horses is a due diligence exercise," said Baugh. MRLS "just means we've got a few more steps to go through, in the questions that are asked, and the inquiries that are made. Unfortunately, we don't have a great deal of science that can be brought to bear on it."

Most consignors make every effort to gather information on every horse they sell. This year, broodmare consignors in Kentucky are going the extra mile. Back in June, Kentucky bloodstock agent Reynolds Bell Jr. remarked that he "had consignors already call me and ask" what additional information he might seek in the fall.

Health records for mares at the Keeneland November sale will receive greater scrutiny than ever this year. Buyers who normally would consult a reproductive vet when buying a mare will, for the first time, ask consignors about ultrasounds.

"Check the repository for any health records that will be available," said Geoffrey Russell, Keeneland's director of sales. Keeneland officials were preparing to ask consignors what special equipment might be needed for disseminating repository information this November. "If we have to set up for ultrasound video screening, we'll

make arrangements for that," Russell said.

"Ultrasound is something that's difficult to get done on a number of mares at the sale," Knight said. "If it could be in the repository, that would certainly be helpful to a prospective buyer."

"I'm sure people will be asking more questions about what the ultrasounds looked like at that time of the year, late April or early May," said Berkey, referring to when MRLS struck.

Questions buyers typically ask when buying a mare include, how many times the mare was covered that season and the date of her last cover. Buyers would make a thorough review of a mare's produce record. Gaps in production records, whether the mare did not produce a foal at all one season, or took a few months to get back in foal, should be investigated. Age of the mare is another consideration in a normal year. Some buyers ask if the mare has been on Regumate, or progesterone therapy.

Buyers this year might also ask whether the farm where the mare was boarded had any MRLS losses. "I think that would be one of the foremost questions you would ask," Knight said.

Weigh the Risk

Berkey, herself a consignor at sales in Kentucky and California, agreed that buyers should ask for information, but added, "I don't think all the consignors have all the information. Especially with the truly large consignment agents, where the horses just get signed into them, and they didn't have control over them through the breeding season. Now, with a horse coming off a farm where she's been living the whole time, then they should have her records." Otherwise, consignors are "kind of at the mercy" of the people they sell horses for to provide all the necessary health records, she said.

As the Keeneland November sale marches on into its later dates, and the

middle to lower market mares go through the ring, buying habits may shift from in-depth research to impulse buying from the back ring. Not one to impulse buy herself, Berkey does not think MRLS concerns will stop others from doing so. Those buyers will "just take their shots the same way they always do."

Mares in California this spring were not exposed to MRLS. However, the consensus for the Barretts Mixed Sale on Oct. 29 and 30, was that only the top of the market stands to benefit from being risk free. Even then, with fewer mares offered, and the repeal of the California sales tax on breeding stock, it will be difficult to attribute any price increases at Barretts directly to MRLS concerns.

"The bloodstock in California has started to show a trend upward, particularly with the proven stallions that have remained. I wouldn't make it a huge advantage, but if you're in foal to one of the top five or six stallions in California, and you're a nice mare, you're certainly going to be in a pretty good spot," Baugh said. On the other hand, "I don't think you come to California if you don't come to Kentucky. Kentucky is a very broad spectrum market."

So, while there will be some guesswork, most California breeders will probably make their usual fall purchases in Kentucky.

"In California, we've done very, very well buying mares back there and bringing them back and getting Cal-bred foals by Kentucky sires," Havens said. "It's been a very popular and successful program. I know we want to do it."

"If nothing more comes out of the research than what we have, then I think you're just going to have to decide on what you can and can't live with, what risks you're willing to take," Knight said. "And that's always been the case in the horse business."

Bettina Cohen writes frequently on racing and bloodstock topics for various publications. She writes the editorial featured in the monthly 'trade zone' section of The Blood-Horse. She has worked with television crews on live racing productions, and for consignors at various bloodstock sales. She lives in Lexington, Ky.