

From the Executive Office



The Incentive to Produce Quality

Leading up to this year's Del Mar Yearling Sale, I was cautiously optimistic that we would duplicate the record numbers of 2001. After closely monitoring the negative trends of other select yearling sales across the country, there were valid reasons to expect some downturn. Therefore, we were extremely pleased that the results were on par with the record sale of last year. In fact, we actually showed a slight increase in both average and median.

This year, nearly 95 percent of the yearlings cataloged were bred in California. The extremely lucrative breeding and racing program for Cal-breds has continued to help elevate the commercial value of the top horses bred in the state. As Steve Anderson of the *Daily Racing Form* wrote on the positive results of the sale, "It is a barometer of the health of the California breeding industry".

The change in the auction format this year, combined with a better-balanced catalog, helped lift the average of the second day session by nearly 12 percent. In previous years the sale was held on Monday and Tuesday evenings. This year, it was conducted on the evenings of Sunday and Monday to follow racing at Del Mar. It was our belief that this would bring to the auction both added excitement and potentially more buyers who would otherwise not attend on a dark day.

There were many noticeable improvements to the sales facility at the Del Mar HorsePark. Upgrades included better food services, as well as improvements to the physical appearance of the stable area and grounds. I commend the 22nd Agricultural District for their commitment to better service the breeders and consignors of this state.

Although we are very encouraged to slightly top last year's record average and median, there are still some aspects of the sale that are of concern. Particularly the increase in the buy back rate from 24 percent to 31 percent, as well as the perceived decline in prices midway through the auction on both evenings.

The results of the sale indicate that we started strong and finished well, but hit some speed bumps along the way.

Each year we hear from some breeders/consignors who have a difference of opinion as to the mission or purpose of the Del Mar Yearling Sale. As previously addressed many times in this publication, it is our goal to provide a venue for California breeders to market and showcase their top yearlings. Such a marketplace is an extremely vital incentive for breeders to upgrade and strive to produce higher quality foals. Keeping intact the stringent criteria for acceptance to the sale has yielded favorable results.

There is, however, an ongoing debate regarding an expansion of the number of yearlings sold at Del Mar. There are some who believe we should have a super select session of roughly 100 yearlings, and then a more lenient preferred session with an additional 250 to 300 head. After all, there are over 600 yearlings that are annually nominated to the event. In looking at this suggestion, the ultimate question would be whether the preferred group would be able to attract the middle to lower end buyers as well as those from out of state. Would the non-select yearling bring more at Del Mar than the other available options? Would such an expansion do damage to the select session? These are the ongoing questions that the Sales Committee will continue to explore.

It is our goal to continue to improve the sale and build on our current success. We believe that ongoing communications are very important for the future of this event. Along these lines, we hope to once again bring the top consignors together for a round table discussion to address some of the concerns stated above. I believe our overall goal remains the same for all involved, to maximize, on an annual basis, the value of the yearlings that are bred and offered for sale by our breeders in California.

— Doug Burge