

California-Bred Highs And Lows



From the Executive Corner

by DOUG BURGE

As you can see from the cover of this issue of *California Thoroughbred*, California-breds were in demand at the CTBA/Barretts California's October Yearling Sale on Oct. 3. This demand from buyers, however, was not as strong overall as the previous year, and somewhat of a disappointment to both the sales companies and certain consignors.

Despite offering a good quality group of yearlings and heavy buyer participation during the days leading up to the sale, the final results fell below our expectations. Although the average was nearly identical to the successful inaugural sale from a year ago, and more yearlings brought over six figures, the six percent decline in median and buy back rate of more than 38 percent are a major concern.

This significant increase in the number of horses who were not sold, up from 27 percent a year ago, was a function of both a limited number of active yearling buyers and reserves set by consignors that were higher than the market would absorb. In the regional markets, more and more potential buyers are lured to the two-year-old sales and buying privately off the racetrack or through the claiming box. This is due to the quicker return and economic disadvantages associated with buying and developing yearlings.

The results also revealed that the top four purchasers from the 2005 sale were noticeably absent this year. In total, they contributed over \$1 million to the gross, which was very difficult to replace.

The good news is that the suppliers of horses for the two-year-old sales (pinhookers) were very active and represented two of the top three purchasers. Hopefully, these pinhook prospects will do well at the Barretts Equine Ltd. auction next March and May, and reward those investing in our yearlings.

The CTBA and Barretts will continue to evaluate the structure of the sale and strive to make the necessary modifications to help combat the concerns mentioned above. Obviously, an overall improvement in the economics associated with racehorse ownership, which all of us in the industry continue to work toward with Legislators and the Governor, would assist tremendously in establishing a stable commercial yearling market.

Notwithstanding that fact, we will look at the various adjustments that need to be made in order to provide the best marketplace for California breeders.

On another note, as you can also see from the cover, California will be strongly represented at the Breeders' Cup World Championships this year. In fact, four grade I-winning Cal-breds are scheduled to compete, along with two to three other Cal-bred stakes winners.

With between five to seven Cal-breds running in total, Saturday, Nov. 4, could be a big day for the Golden State. Hopefully, we will be featuring their accomplishments in the December 2006 issue of our *California Thoroughbred* magazine. 🐾



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