

Accentuate The Positive, Eliminate The Negative



From the Executive Corner

by DOUG BURGE

As you can see from the cover, California-breds continue to excel in graded stakes races with recent wins by Idiot Proof and Nashoba's Key in the grade I Ancient Title and Yellow Ribbon Stakes, respectively. Cal-breds have now posted 23 graded stakes victories this year, including eight grade I's. Heading into the Breeders' Cup and with the multitude of opportunities this fall and through the end of the year, Cal-breds have already surpassed their record number of graded stakes wins (22) in 2006; thus providing ample evidence that we are certainly breeding better horses.

These successes at the track level are not, however, making their way to the yearling sales. With these positive trends, and the lucrative restricted opportunities for locally bred horses, why are the results from the recent sales so disappointing? With such potential, where is the demand for young quality horses? This is both puzzling and frustrating to all who have invested significant time and resources providing the future racing inventory.

In regards to CTBA/Barretts California's October Yearling Sale, the results have now dropped off two years in a row after its successful initial auction in 2005. Our original goal with this joint venture was to provide a centralized marketplace with an ample number of horses to attract a wide variety of buyers. The October date was chosen in order to get away from the effect of the mega Keeneland September Yearling Sale and also to allow California buyers to focus on horses who have significant opportunities on the local circuit. Even with plenty of presale interest and activity, the buyers as a whole did not embrace or support the group of yearlings offered. Similar results were also realized at the CTBA Sales' Northern California Yearling Sale in late September.

In looking at the sales results over the past number of years, and discussing the issue with trainers and owners, it has become apparent that, in California, the depth of buyers interested in developing a young horse is very small. Buyers are looking for the instant gratification with the horse already racing or in training, and the economics currently promote either claiming or buying privately a "made" horse. When comparing the costs involved in buying a yearling and getting it to the races, versus the comparable inexpensive costs of claiming a horse, one can see why it is difficult to compete.

At the CTBA, we obviously understand the necessity to have a viable yearling market and are currently working with the TOC (Thoroughbred Owners of California) and the racetracks to provide the necessary incentive to stimulate the purchasing of young horses and not simply the recycling the claiming inventory. In order to fix this imbalance, we believe there needs to be more financial return (purse money) in the maiden races as well as a further expansion of the opportunities for Cal-breds. The overall claiming prices need to be examined as well, with the goal of protecting the breeder while increasing the worth and demand of our product.

As breeders, we also need to evaluate the product we are bringing to the marketplace. Buyers need confidence that these horses can compete on the tough Southern California circuit. While working on improving these economics, we will also discuss possible modifications with the preferred sale for the future, as well as discuss with consignors the options available for the Northern California sale. We understand that adjustments need to be made in order to provide a better environment for the Golden State's breeders, and will work to do so. 🐾



Nashoba's Key



CTBA Sales'
Northern California Yearling Sale



CTBA/Barretts
California's October Yearling Sale



Idiot Proof