

From the Executive Office



Weathering the Storm

This year has been yet another banner one for the California Thoroughbred industry. Auction results have maintained their upward trend, the foal crop and mares-bred numbers continue to rise, the Incentive Awards Program remains as one of the most lucrative in the country, and the racing opportunities available to Cal-breds have expanded even further.

Granted, there were individual moments of frustration such as breeding and foaling difficulties, the disappointing sale of a particular horse or a poor finish at the track. But overall, the positive results seen the past four to five years have continued through 2002.

As the economy strives to recover, the Thoroughbred industry throughout the country has seen a steep retreat from the gains of previous years. In California, however, most have been able to minimize the negative impacts thereof. The Thoroughbred sales at both Del Mar and Barretts showed increases in both the average and median. The demand for quality Cal-breds is driving the market, thus bucking the downward trends seen elsewhere.

The quality and quantity of horses produced in the state continued to rise. In fact, according to statistics from The Jockey Club, stallions in California sired over 3,800 foals in 2002, representing a 13 percent increase over last year. The total number of live foals in the state for 2002 should reach close to 4,000, the highest we have seen in roughly a decade.

The sales and use tax exemption for breeding stock has aided in providing a favorable climate for bringing quality mares and stallions into the state. Californians have been very active at the sales the last two years, purchasing quality mares to breed in this state. Also, we have seen an influx of new sires with great potential, adding to the top stallion population that currently exists.

The year 2002 was also a very good one for Cal-breds at the racetrack, where they won some of the top races in the state and even around the world. In fact, there were numerous graded stakes winners from January through late November.

Racing in California is extremely dependent upon the horses produced locally. To date, California-bred restricted races have significantly outperformed all races in the state by both average field size and average total handle, as based on the latest CHRIMS (California Horse Racing Information Management Systems) Runners Statistics Report.

The recently concluded California Cup is an example of the importance of large competitive fields to the industry. This thirteenth edition, which had a total of 110 horses entered in the 10 races, generated nearly \$20 million in total handle (over \$700,000 in purse revenues). The event continues to prove immensely popular with breeders, owners and racing fans across the country.

There has also been a significant expansion of racing opportunities for Cal-breds (NTRA Great State Challenge and Sunshine Millions) which further increases the value of horses bred. Owners in California and around the country realize the financial advantages associated with racing Cal-breds.

The CTBA is committed to maintaining and further enhancing the economic conditions of those involved in the agricultural production of California-bred Thoroughbreds. Breeders in the state have shown that they are willing to make the kind of investments that are needed to upgrade their stock as they strive to continue breeding top quality horses.

With the association and breeders working together, there is reason to be optimistic for similar results in the year ahead.

Happy Holidays

—Doug Burge