

From the Executive Office



Just Rewards

When explaining California's \$30 million breeding and racing program to others in the industry, I am frequently asked, "What is the purpose of the program, and is it indeed serving its purpose?"

Section 19617.2 of the California Horse Racing Law states that the CTBA shall make payments to owners, breeders and stallion owners so as to encourage agriculture and the breeding of better quality horses in this state. Therefore, the focus is on both the quantity and quality of horses produced.

The incentive awards reward quality, as the award amount is a percentage of the eligible earnings of California-bred horses. The higher the purse money earned, the higher the award. In the case of stallion and owner awards, certain qualifying purse levels apply for the race to be considered eligible for awards.

As the official registry agency in charge of administering the Incentive Program, we periodically review the results to make certain the awards are indeed serving their purpose.

With the recent announcement of two California-bred Eclipse Award winners, and the fact that Cal-breds won an unprecedented number of stakes races in 2001 (30 of which were graded), it is evident that we are breeding higher quality horses. You need only to look at this issue of *California Thoroughbred* to review the highlights of our many champions. Plus, our stallion population is arguably the best in the history of the state, with six sires ranked nationally in the top 100 general sires list for 2001. It is important

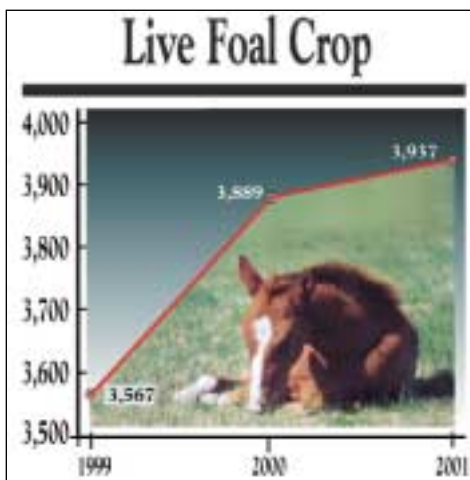
to note that these top stallions covered an average of seventy mares last year, further showing the commitment by California breeders to produce quality.

Racing in California is very dependent on the number of foals annually produced, as over 60 percent of the field sizes are made up by Cal-breds. This percentage will most likely increase as other states have provided greater incentives for horses bred in those states to stay and race there.

It is our goal to encourage the breeding of an ample number of horses while also emphasizing the continual need to upgrade the bloodstock. With that said, we are very pleased with the recent upward trends in the reports of mares bred and live foals. As you can see from the "Live Foal Crop" chart (left), the California foal crop has increased by more than 10 percent over the last three years, and is fast approaching four thousand. It is important to remember,

however, that not all of these foals will be registered. As mentioned earlier, the top proven California sires, as well as the young promising stallions are all standing to full books of mares. The quality of the mares being bred has also steadily improved, as evidenced by the results in the sales ring and the triumphs on the racetrack.

I am optimistic that these trends will continue. With the prospects of Advance Deposit Wagering and such lucrative events as the Sunshine Millions and Great State Challenge, our expectations will continue to be high.



Statistics courtesy of The Jockey Club