

The Thoroughbred Breeding Business is Booming in Maryland

By Dave Astar

On September 21, 2017, The Jockey Club released 2016 breeding statistics. They included one very positive startling development. They estimated that there will be 500 Maryland-bred foals from the foal crop of 2017, a 21.7% increase over 2016. Considering continuing declines in most states, and only a modest increase in just a couple others, the 21.7% Maryland increase is shocking. Kentucky was up 1.7% in foal estimate, while Kentucky and Ontario were the only other states or provinces that showed an increase in number of mares bred.

While general breeding trends reflect rapid and painfully consistent declines, with only half the number of Thoroughbred foals being born today as were born three decades ago, every state has their own unique sub-system of breeding. They structure the rules and awards of those programs differently, market and promote quite differently, and distribute their purse funds to state bred horses in a highly variable fashion.

Considering long term declining trends in the Thoroughbred industry, and understanding that breeding systems vary from state to state, the unique breeding results in Maryland deserve special attention. The Maryland breeding improvement is what statistical experts see as something other than random cause variation. As a result, I decided to take a quick look at available information that might tell me why Maryland's breeding system is not only bucking declining trends but setting a new standard.

State bred definitions were a place to start, and a horse may be registered with the Maryland Horse Breeders Association only if the horse was foaled in Maryland as shown by a foal certificate from the Jockey Club and:

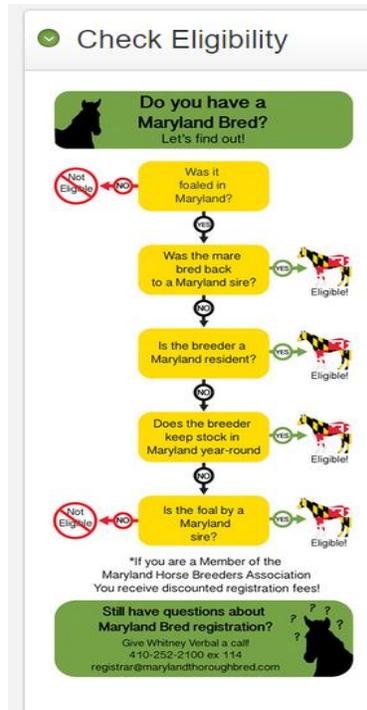
(1) the breeder of the horse has maintained a place of abode in Maryland for more than 9 months immediately before registration;

(2) the breeder of the horse keeps breeding stock continually in Maryland;

(3) the horse was conceived in Maryland during the previous season; or

(4) the horse's dam was sent to Maryland to foal and after foaling was covered by a Maryland stallion during the season of the horse's birth.

For clarity, Maryland also illustrates these rules in their marketed materials as follows:



The Maryland rules are not terribly restrictive. They do however make sure that anyone who wants access to their Maryland breeding awards is not simply a Maryland interloper. This contrasts with states which pay award money to anyone who simply drops a foal in their state.

The Maryland bred program awards were also analyzed.

MARYLAND BRED PROGRAM INCENTIVES/BONUSES

Paid to registered Maryland-breds at Maryland tracks

*Reviewed by Maryland Racing Commission semi-annually
Program subject to change without liability*

OWNER BONUSES

for registered MD-breds

Paid with purses

All overnight races	1st, 2nd, 3rd place
	Paid at 30% of horse's share of purse

BREEDER BONUSES

for registered MD-breds

Paid as soon as practical

All races	1st, 2nd, 3rd place
Stakes (capped at \$100k)	Paid at 30% of horse's share of purse

for Maryland-sired* registered MD-breds

Paid as soon as practical

All maiden races	1st place only
	An additional 20% of horse's share of purse

STALLION BONUSES*

for registered MD-breds

Paid as soon as practical

All races	1st, 2nd, 3rd place
Stakes (capped at \$100k)	Paid at 10% of horse's share of the purse

**Stallions must be registered with MHBA each year, prior to progeny racing.*

Maryland makes sure that breeder and stallion bonuses are understood at the time of breeding. This is in stark contrast to states which pro-rate awards after racing seasons are concluded, many years after breeding takes place. In addition, the Maryland breeder bonuses are high, and breeders

get an extra bonus to “really” breed in the state to state standing stallions. The stallion award bonuses are competitive but not unusually high. Most importantly, all awards are simple to understand, calculate and market.



Maryland-bred Bonus Payments
 for registered Maryland-breds running in Maryland
 Bonuses are paid 45 to 75 days from date of actual race.

Purse \$	1st place earns \$	1st place breeder bonus \$	2nd place earns \$	2nd place breeder bonus \$	3rd place earns \$	3rd place breeder bonus \$
14000	7980	2394	2940	882	1540	462
14500	8265	2479.50	3045	913.50	1595	478.50
15000	8550	2565	3150	945	1650	495
15500	8835	2650.50	3255	976.50	1705	511.50
16000	9120	2736	3360	1008	1760	528
16500	9405	2821.50	3465	1039.50	1815	544.50
17000	9690	2907	3570	1071	1870	561
17500	9975	2992.50	3675	1102.50	1925	577.50
18000	10260	3078	3780	1134	1980	594
18500	10545	3163.50	3885	1165.50	2035	610.50
19000	10830	3249	3990	1197	2090	627
19500	11115	3334.50	4095	1228.50	2145	643.50
20000	11400	3420	4200	1260	2200	660
21000	11970	3591	4410	1323	2310	693
22000	12540	3762	4620	1386	2420	726
23000	13110	3933	4830	1449	2530	759
24000	13680	4104	5040	1512	2640	792
25000	14250	4275	5250	1575	2750	825
26000	14820	4446	5460	1638	2860	858
27000	15390	4617	5670	1701	2970	891
28000	15960	4788	5880	1764	3080	924
29000	16530	4959	6090	1827	3190	957
30000	17100	5130	6300	1890	3300	990
31000	17670	5301	6510	1953	3410	1023
32000	18240	5472	6720	2016	3520	1056

Purse \$	1st place earns \$	1st place breeder bonus \$	2nd place earns \$	2nd place breeder bonus \$	3rd place earns \$	3rd place breeder bonus \$
33000	18810	5643	6930	2079	3630	1089
34000	19380	5814	7140	2142	3740	1122
35000	19950	5985	7350	2205	3850	1155
36000	20520	6156	7560	2268	3960	1188
37000	21090	6327	7770	2331	4070	1221
38000	21660	6498	7980	2394	4180	1254
39000	22230	6669	8190	2457	4290	1287
40000	22800	6840	8400	2520	4400	1320
41000	23370	7011	8610	2583	4510	1353
42000	23940	7182	8820	2646	4620	1386
43000	24510	7353	9030	2709	4730	1419
44000	25080	7524	9240	2772	4840	1452
45000	25650	7695	9450	2835	4950	1485
46000	26220	7866	9660	2898	5060	1518
47000	26790	8037	9870	2961	5170	1551
48000	27360	8208	10080	3024	5280	1584
49000	27930	8379	10290	3087	5390	1617
50000	28500	8550	10500	3150	5500	1650
51000	29070	8721	10710	3213	5610	1683
52000	29640	8892	10920	3276	5720	1716
53000	30210	9063	11130	3339	5830	1749
54000	30780	9234	11340	3402	5940	1782
55000	31350	9405	11550	3465	6050	1815
56000	31920	9576	11760	3528	6160	1848
57000	32490	9747	11970	3591	6270	1881

Purses for all overnight races to be divided 57% to the winner, 21% to second, 11% to third, 6% to fourth, 3% to fifth and 2% to sixth, unless otherwise specified in the conditions of the race.

Stakes are capped at \$100,000 for Maryland-bred bonuses, and paid at 30% of purse earned for 1st, 2nd and 3rd places. Bonuses paid on stakes exceeding \$100,000 will be calculated on purse distributions of a \$100,000 stakes. In general, purses for stakes races are divided 60% to the winner, 20% to second, 10% to third, 6% to fourth, 3% to fifth and 1% to sixth. Refer to specific conditions of the race.

Maryland-bred bonuses for Maryland Million Day are calculated separately.

Bonuses are paid out anywhere from 45 to 75 days from date of actual race.

As of 01/01/2016; subject to semi-annual review by Maryland Racing Commission

Of course, breeding programs exist to drive breeding behavior and their state’s agricultural economy. As a breeder, to know that you will pocket \$5,472, when you horse wins a \$32,000 race, is exceptional.

Maryland also has a Maryland Horse Breeders Association which is focused on breeding. Many state’s do not have such an organization but instead have breeding development as a subservient interest of other Thoroughbred organizations. Some states do not even have one person fully

focused on breeding development. Maryland on the other hand, “develops, promotes and markets the daylights” out of their breeding program. They celebrate top breeders, while publishing extensive breeder listings and breeder related news. The best way to understand what a powerful marketing and contemporary breeding organization can do to affect breeding results go to, <https://marylandthoroughbred.com/cms/>.

In closing, the Maryland Fund receives slightly less than 1 percent of the total mutual handle and breakage from their two major racetracks (Laurel and Pimlico), and 1.5 percent of the mutual handle plus 5 percent of the breakage from their minor racetrack, (Timonium). So, while Maryland is an extremely positive outlier when it comes to current Thoroughbred breeding trends, the Maryland funding level is curiously like many other state’s funding structures. The differences seem to reside in top tier marketing, focused responsibilities, effective use of funds, meaningful breeding definitions and rules, and competitive and clear awards.

Yes, the Maryland breeding system stands alone. Other states should not simply take note, but conduct a comparative study focused on improving the generally low quality, low quantity breeding system results they are experiencing.