

**Minnesota**  
**Thoroughbred Breeding**  
**Analysis**

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## **Basis For Analysis**

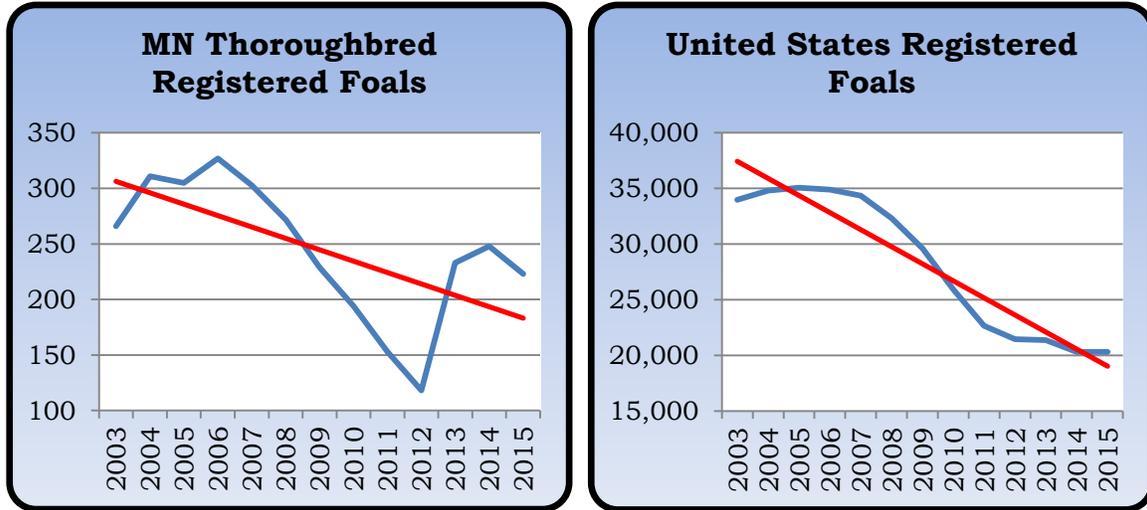
This analysis was completed to answer questions various groups have posed related to breeding in Minnesota. Specifically, some individuals and organizations wonder why Thoroughbred breeding in Minnesota is not more prolific. Economics are at the core of this issue. Greater understanding of breeding indicators and issues may lead to a more competitive Minnesota breeding environment.

The core data used to develop conclusions was publicly available Jockey Club data through 2015. While available raw data was interesting, I developed information from the data utilizing basic analytical processes. The concept of information, versus data, is often foreign in the data heavy racing industry. It is even discouraged in many respects because the industry has been in general decline for decades. When information is created by normalizing, comparing and indexing data, it often produces results which reveal negative past authored actions, with the understanding that inaction is an action. Nevertheless, information analysis efforts such as this often produce interesting trends, surprising competitive factors and newly emerged conclusions.

Lastly, breeder's fund programs were not addressed in this analysis, though they have an effect on breeding. I have addressed the unpredictable, unmarketable and antiquated nature of the Minnesota breeder's fund program previously.

## Breeding Volume Trends

Breeding volume trends form a basis of understanding related to issues affecting breeding.



Charts reflect actual foal data and linear trend lines.

Minnesota registered foal counts were in a very steep decline until the \$75,000,000 Mystic Lake arrangement was announced in May 2012. The arrangement created a purse subsidy which increased purses to the extent that the 2013 Minnesota Thoroughbred “foaling season” reflected an immediate rebound from a 2012 Minnesota historical low of 118 registered foals.

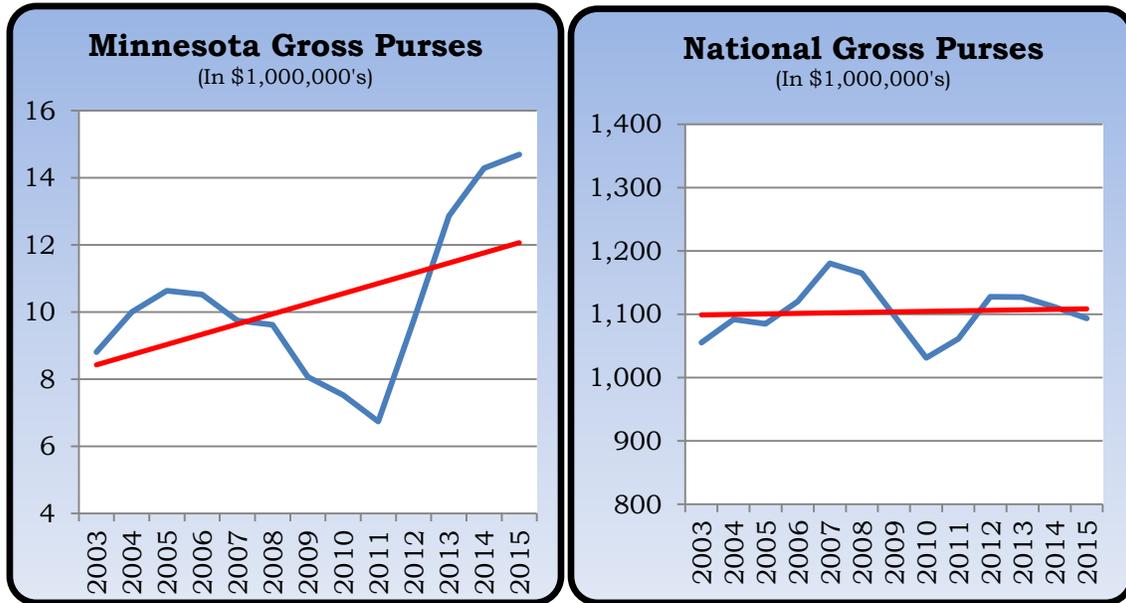
The “foaling season” is important to understand because Minnesota bred horses are categorized as Minnesota breeds if they are “foaled” in Minnesota. Actual breeding can take place anywhere so a foal’s mare may have been bred in Kentucky to a Kentucky sire in 2012, and the mare’s owner could ship the mare to Minnesota to “foal out” in 2013 as a Minnesota bred registered foal. This “Minnesota Bred” definition explains why the 2013 Minnesota registered foal count jumped dramatically. By May 2012, it was too late to breed or ship pregnant mares to Minnesota for the 2012 breeding season, so breeders shipped mares into Minnesota in 2013 to take advantage of the substantial purse increases Minnesota started to experience in 2012.

Minnesota has averaged 235 registered foals per year since the Mystic Lake announcement. While that average nearly doubled the 2012 total, 2012 is a poor comparison basis since that total represents a low point in Minnesota breeding history. Surprisingly, the Minnesota registered foal count immediately flattened out after the 2013 increase in volume. Many people believed breeding would continue to accelerate but in fact, the 2015 registered foal total of 223 was the lowest foal count generated in the 3 year period following the Mystic Lake arrangement announcement.

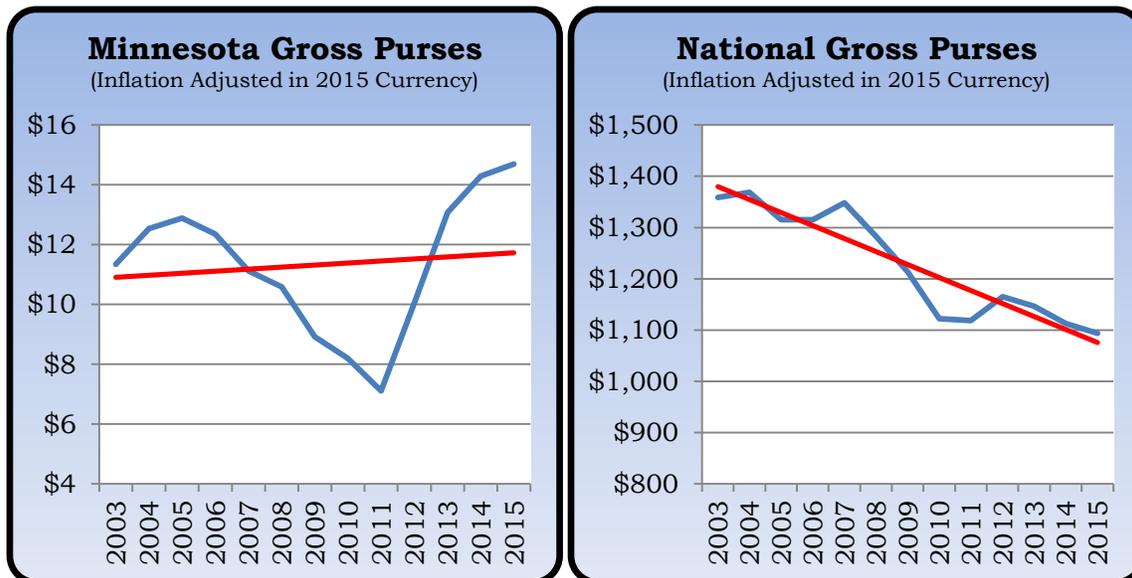
To offer a longer term and broader perspective, the 2013 through 2015 Minnesota foal count was 20% less than the Minnesota foal count in the 2003 through 2005 period, a full decade earlier! Minnesota out-performed national trends during this same comparative period, as the nation experienced a 40% decline compared to Minnesota’s 20% decline. **Breeders nationally, and in Minnesota, were more optimistic about Thoroughbred breeding a decade ago.**

## Purses

On the surface Minnesota breeding volume trends represented in earlier charts appear to be better than national trends however; foals volumes have to be indexed against earnings potential to understand true trends. The ultimate earnings potential of every foal drives value, thus breeding. The Mystic Lake Minnesota purse increases, first realized in 2012, must be factored into the breeding analysis to understand trends.



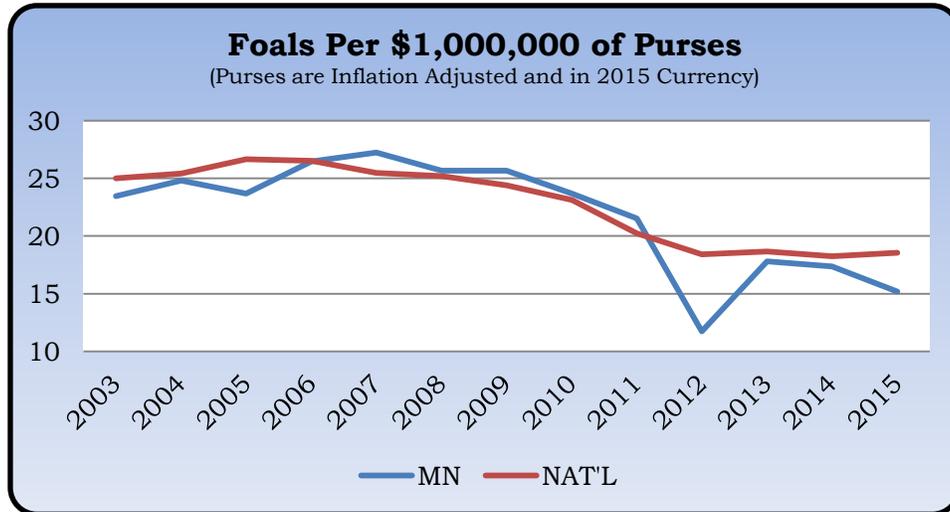
When the comparative periods of 2003/2005 are related to 2013/2015 we gain long term perspective of the data. This decade based comparative analysis indicates that Minnesota's gross purse structures increased 42.0%, while gross purses nationwide were essentially flat, showing only a 3.1% growth rate. Of course, purses should be adjusted for inflation if change percentages are to have meaning.



**The inflation adjusted 2003/2005 to 2013/2015 comparison now reflects only a 14.7% full decade increase in Minnesota gross purses.** The national comparative period 3.1% gross purse increase was actually a 16.4% inflation adjusted decline. The 2012 Minnesota “special cause” effect of securing the Mystic Lake purse racing subsidy allowed Minnesota to achieve the inflation adjusted 14.7% increase, while nationwide real purse dollars declined 16.4%.

## A Generalized Breeding Index

Utilizing inflation adjusted purses; we can develop a breeding index by relating inflation adjusted purses to foal volume. This is a meaningful index since registered foal volume generally correlates to purse levels.



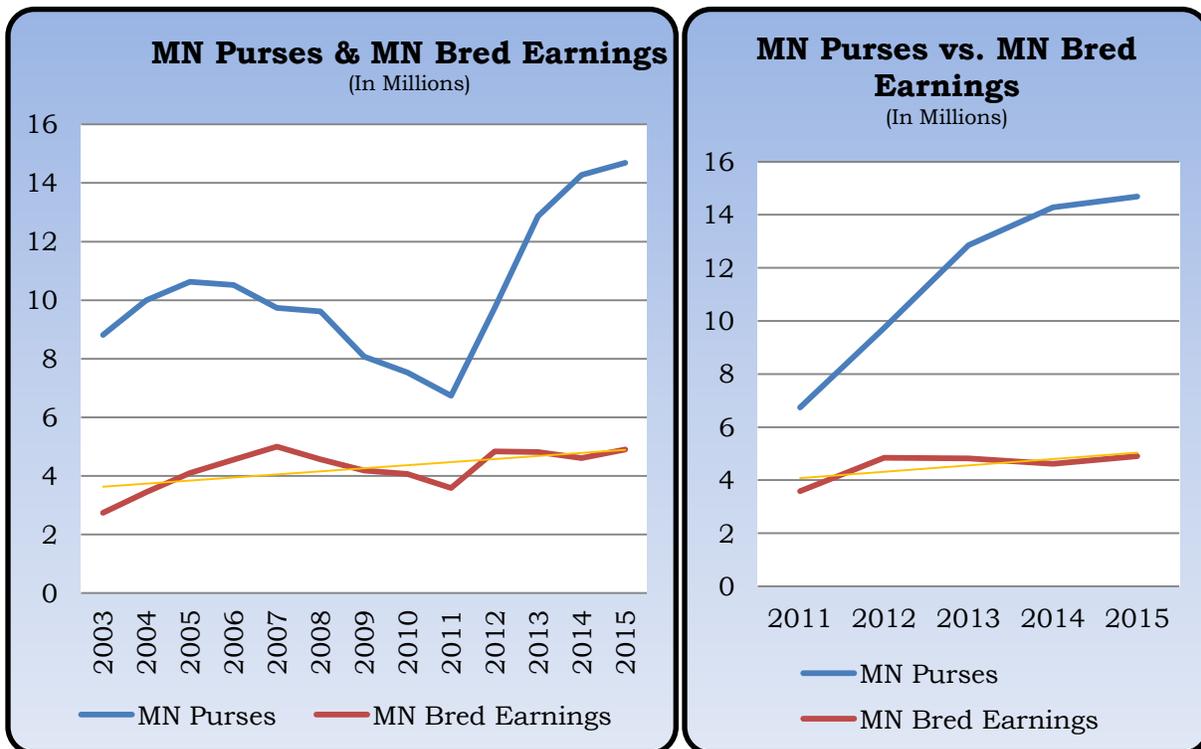
Minnesota is generally consistent with national trends. Variation from national averages is minimal, though the 2012 Minnesota breeding data point was clearly a special cause. The near racing extinction crisis that was averted in Minnesota, when Canterbury and Minnesota horsemen created the leverage required to secure the Mystic Lake arrangement, explains the 2012 variation. It is also important to observe that both Minnesota and the nation produced near 25 foals per million of inflation adjusted purse dollars through 2009. In 2012 Minnesota and the nation fell below 20 foals per million for the first time in history, and have remained at this lower breeding volume level ever since.

Minnesota declines seem to mirror national trends, even though the recent Minnesota bred foal volume per gross adjusted purses is under national averages. The 2015 data indicate that Minnesota produced 15.6 foals per million dollars in inflation adjusted purses, versus the nationwide average of 18.2 foals per million.

## Minnesota Purse Distributions

Previous charts reflected Minnesota “paid purses”. **Minnesota “paid purse” trends are very different than Minnesota “state bred” earning trends. Minnesota State bred earnings and purses will yield a more appropriate breeding index than the general purse index previously illustrated.** Actual “state bred” earnings best represent the realized value of state bred foals.

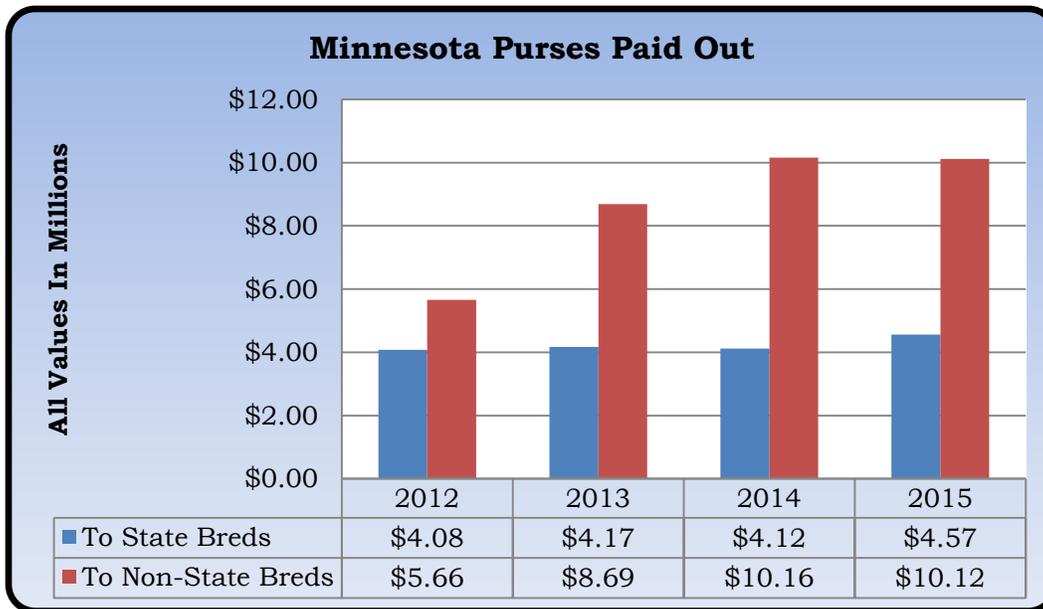
**The data clearly indicate that Mystic Lake arrangement “additional” purse funds have been predominantly utilized to attract non-Minnesota bred horses to Minnesota.**



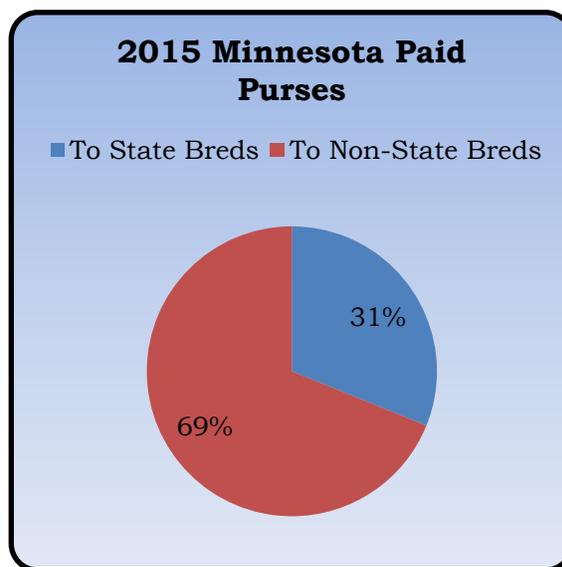
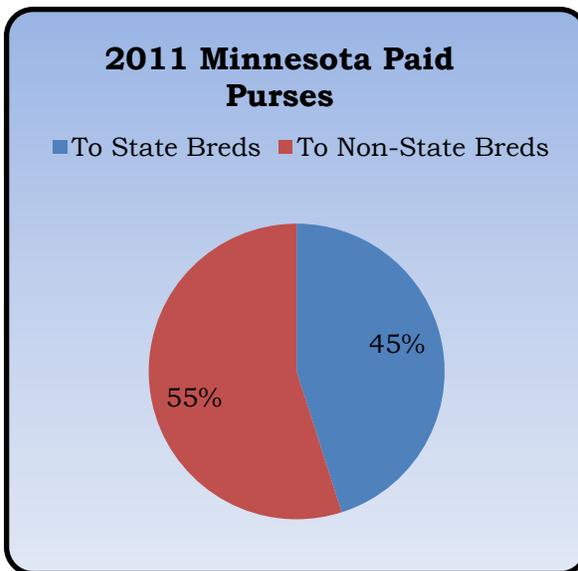
In 2015, total Minnesota purses had more than doubled, up 118% from the 2011 pre-Mystic Lake arrangement year. Curiously, Minnesota bred total earnings had only risen 36.5% during the same time period. Minnesota bred earnings can be earned anywhere in the country. They did not have to have been paid out in Minnesota. **However, the great majority of the Minnesota bred earnings (92.5% in 2015) are indeed paid in Minnesota.**

With this said, the 2015 Minnesota total paid purses were 7.95 million dollars higher than they were in 2011. Meanwhile, Minnesota bred horse earnings were only 1.4 million dollars higher. This observation, that the lion’s share of additional funds made available by the Mystic Lake arrangement were going to benefit non-Minnesota owner and breeder horses, is not a surprise. However, **considering Minnesota owners and breeders helped create the leverage necessary to secure the Mystic Lake funds in the first place, the 5.6 to 1 ratio is surprising.**

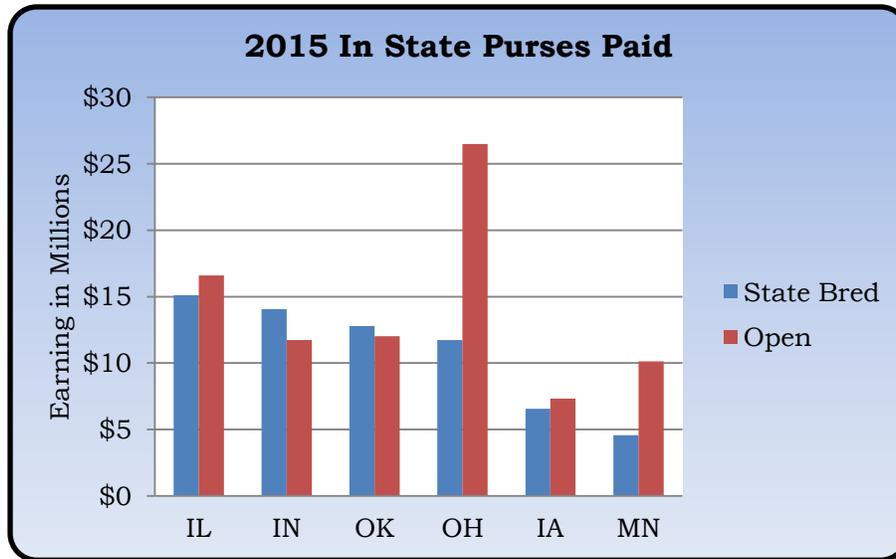
To look at this issue more deeply, I examined only Minnesota paid purses, segregating which purses were paid to non-Minnesota bred and Minnesota bred horses.



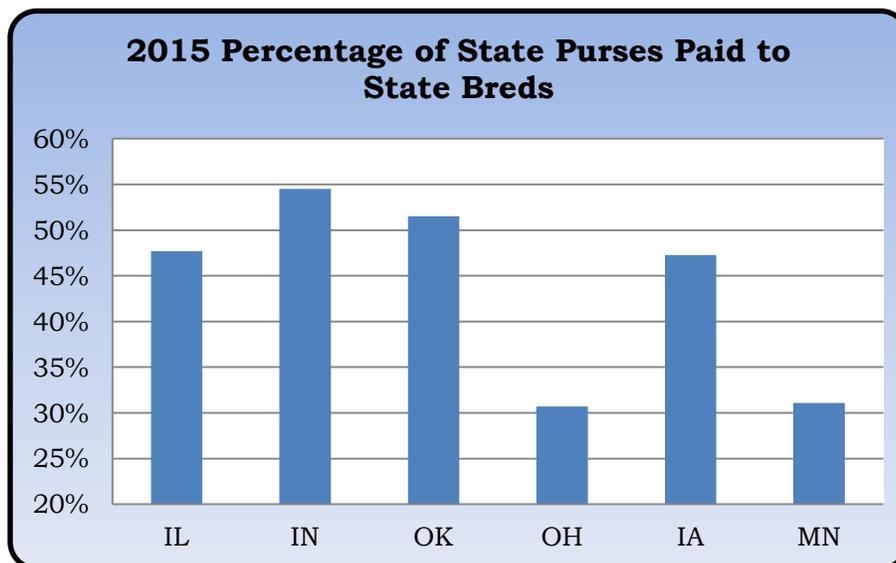
The degree of the Minnesota paid purse distribution shift is further represented by the following pie charts.



For a “competitive comparison” I evaluated the Upper Midwest racing region by calculating state bred earnings that were actually paid in each state.



The two states that stood out in this comparison were Ohio and Minnesota. Both states apparently pay a disproportionate share of their available state purses to non-state bred horses. Ohio and Minnesota only paid 31% of their total available state purses to owners of state bred horses.



The Upper Midwest results were somewhat surprising but not easily comparable. For example, the percentage of state purses paid to state bred horses in both Minnesota and Ohio were the same, but Ohio paid \$11.7 million dollars to state bred horse owners in 2015 while Minnesota only paid near \$4.6 million dollars to their state bred horse owners. This occurs because Ohio holds multiple racing sessions and in fact had 273 racing days in 2015, the highest number of racing days in the upper Midwest region. Minnesota only had a 70 day racing season.

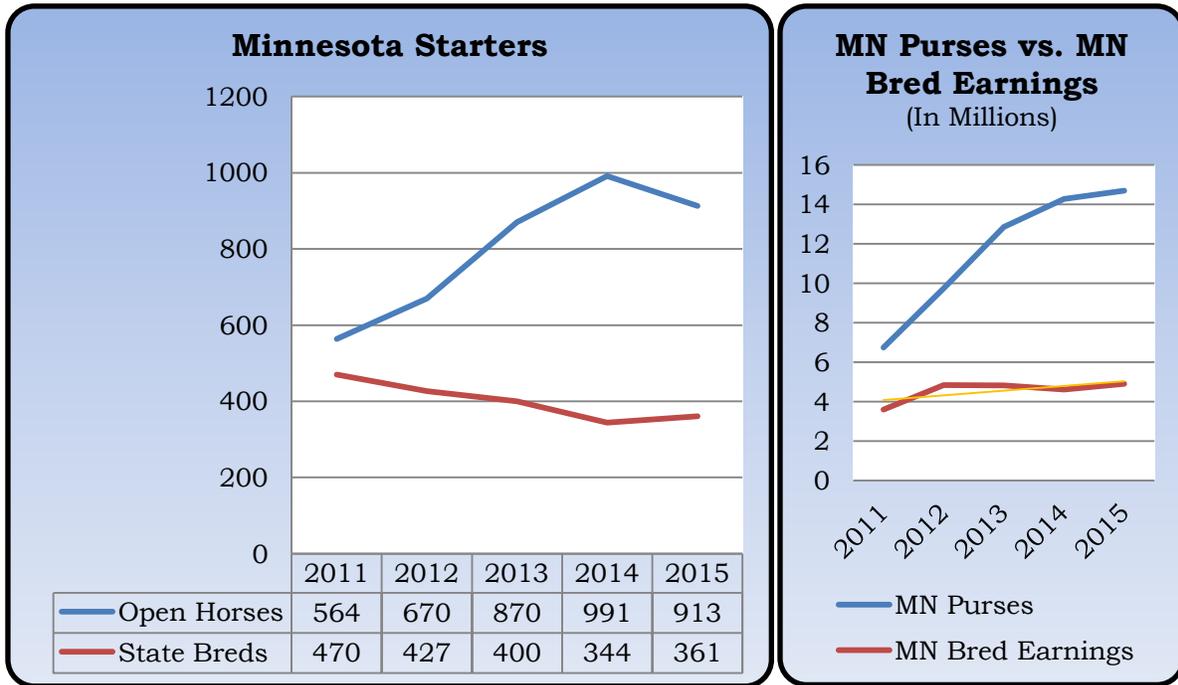
**Again, it is important to understand that Minnesota only pays 31% of its purses to state bred horses while the nearest states of Iowa, Indiana, Illinois and Oklahoma all pay 47% or more of their purse monies to state bred horses.**

While all states vary in nature, Iowa and Minnesota are direct season and geographic competitors. They are also the most similar in racing days, seasons, number of racetracks and even total purses paid. Few would argue however that Canterbury holds a major advantage over Prairie Meadows in near population and high income density. It is therefore interesting to compare the two states.

They differ most dramatically in purse support of state bred horse breeders and owners. Even though Iowa had lower total purse funds to pay out in 2015, Iowa paid nearly 2 million dollars more to their state bred owners than Minnesota paid to theirs. They did this by directing 47% of their available purses to state bred horses, while Minnesota only directed 31% of their available purse funds to state bred horses.

## Minnesota Thoroughbred Starters

The shift in purse distribution percentages resulted in a change in racing starters. It is no surprise that non-Minnesota bred horse starters increased dramatically after the Mystic Lake arrangement came into being in 2012. Trainers and owners with non-Minnesota bred horses immediately shipped into Minnesota to race and take advantage of the Minnesota purse structures.

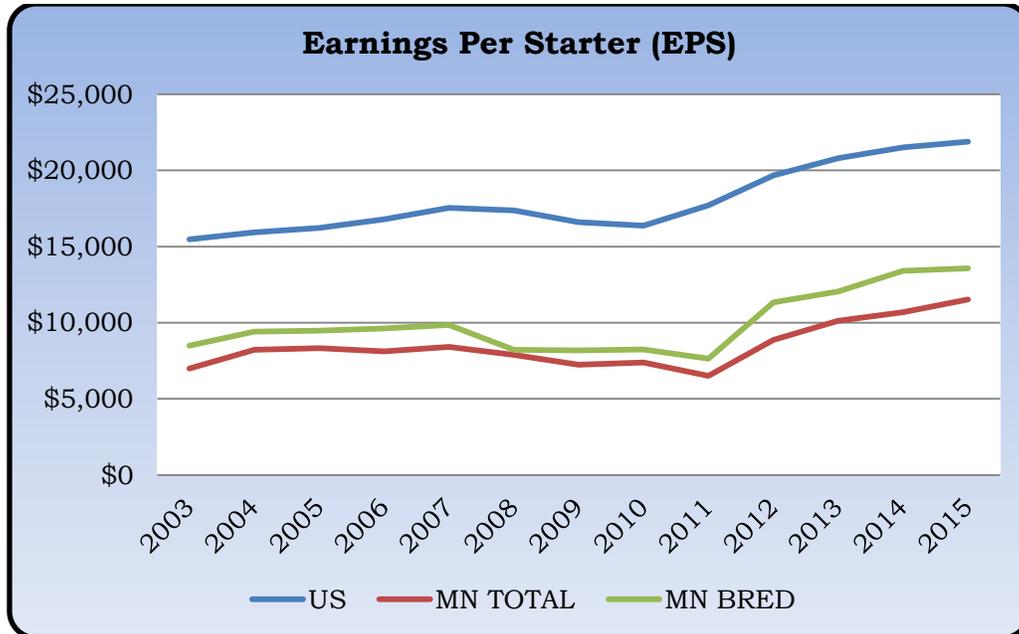


By 2014, the non-Minnesota bred starters in Minnesota had jumped over 75% from the pre-Mystic Lake deal 2011 base. At the same time the Minnesota state bred starter population had declined 27%. **Of course, the Minnesota bred decline is understandable because breeding had declined dramatically before the Mystic Lake arrangement came into being. Minnesota state breeders, who actually breed mares in the state versus foal out, could only react to the 2012 purse increase by breeding more mares in early 2013. Those foals would have been born in 2014. That means that Minnesota breeders who actually breed in the state, not just foal out, could not possibly affect the racing population until 2016.**

Interestingly in 2015 a shift took place. **Non-Minnesota bred starters in Minnesota declined while Minnesota bred starters increased for the first time in the last seven years!** While some of the non-Minnesota bred horse stables that were attracted to higher purses remain in Minnesota, some of the ballyhooed stables that jumped into Minnesota in 2013 like Midwest Thoroughbreds, have since left Minnesota for greener purse pastures. **The starter change in 2015 may indicate a shift, or tipping point, related to the need to rely on Minnesota state breds long term.**

## Earnings Per Starter

Earnings Per Starter (EPS) is a common indicator in the racing industry and here is a broad view of that indicator.



The competitive gap between Nationwide and Minnesota racing has closed slightly. **While the Mystic Lake additional purse dollars were devoted to non-Minnesota bred horses over Minnesota horses by a near 5 to 1 ratio, the actual earnings per starter relationship remained similar.** This occurred because the non-Minnesota bred starters increased and the Minnesota bred starters declined.

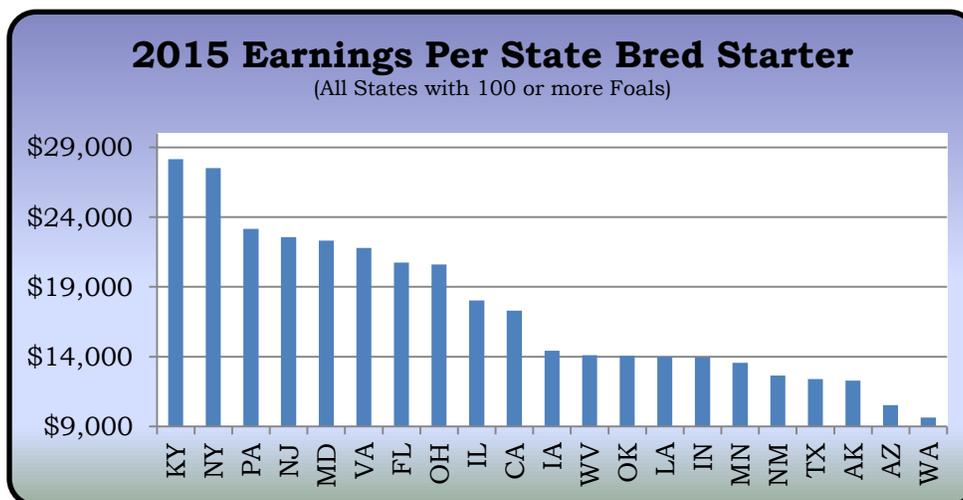
The goal may have been to keep the average EPS relationship between Minnesota bred horses and non-Minnesota bred horses the same after the Mystic Lake arrangement was secured. In general terms this goal seems to make sense and by doing so the non-Minnesota bred racing population increased. **The strategic flaw in this thinking however is that the Minnesota bred underlying economic base was not competitive in the first place. In other words, the opportunity to address the Minnesota state bred economic imbalance was not addressed by devoting a smaller share of the additional purses, made available by the Mystic Lake arrangement, to Minnesota State bred horses.**

The longer term benefit of substantially affecting the captive and loyal Minnesota state breeding community was missed, thus suppressing state breeding optimism. Consequently, few people who take the time to understand this analysis should question why Minnesota bred annual foal volume has averaged only 235 post Mystic Lake arrangement since 2012, yet averaged over 300 a full decade earlier.

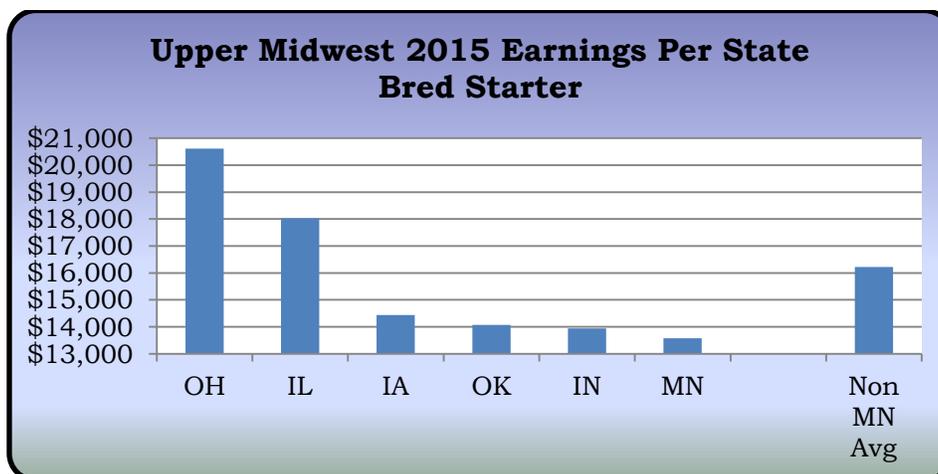
**It is also important to understand how percentages and trends can mask “real world” breeder economic issues.** Percentage increases in the Minnesota EPS were only high because the underlying EPS is was so uncompetitive and low. To further explain this, a \$21,891 national average EPS creates a much better ability to generate breeding profits than a \$13,569

Minnesota EPS. **In fact, Minnesota breeders and owners have lost competitive ground over the last decade, seeing only a \$3,949 absolute Minnesota bred dollar EPS increase while the national average EPS increased \$5,102.**

To better understand the impact of EPS, and if Minnesota bred earnings are competitive, a larger comparative analysis was conducted.



Minnesota ranked 16<sup>th</sup> out of 21 major breeding states in earnings per starter. More importantly, here are Minnesota bred earnings compared regionally.



Minnesota ranked last in the Upper Midwest with only \$13,569 earned per state bred starter in 2015.

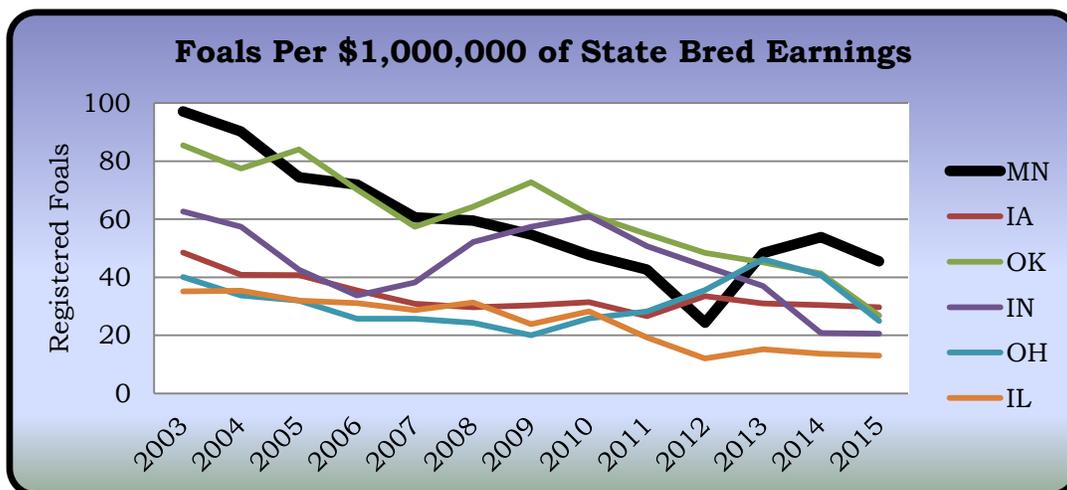
**It is important to understand that these charts represent “all earnings” per state bred starter and those earnings can be earned in any state.** In addition, earnings per starter are not normalized for racing days, multiple state racing seasons or multiple racetracks which exist in certain states. In other words, of the near 4.9 million dollars Minnesota bred horses earned in 2015, 4.6 million of those dollars were actually earned in Minnesota. Minnesota also had only 70 race days, and one racing season, at one track in 2015. Other states entertain many more racing days, and multiple racing seasons at multiple racetracks. Consequently,

Minnesota earnings per starter will naturally be lower than states that offer more extensive racing opportunities to their state bred horses.

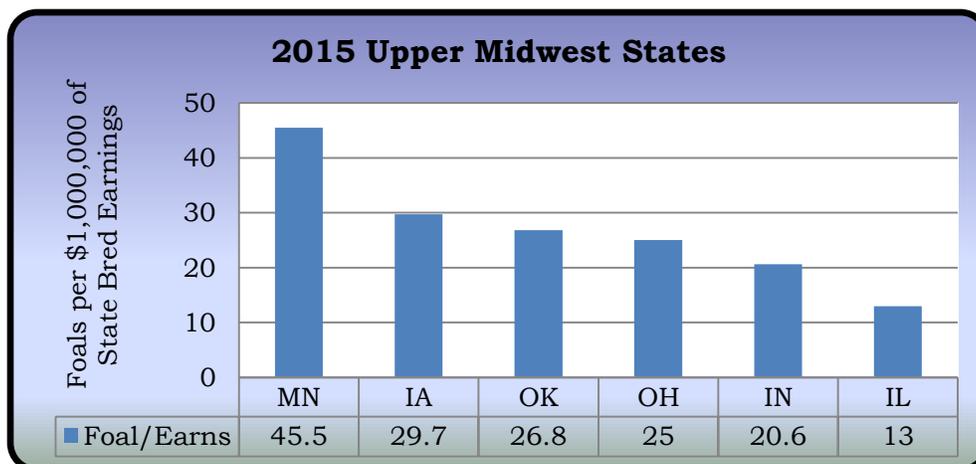
In summary related to EPS, other states create much more extensive opportunities for their state bred horses to earn money in restricted state bred races. While state bred horses can obviously go to other states and attempt to earn purses in open company races, all state bred horses earn the vast majority of their purses in the state they were bred in. **Since fewer in-state racing day opportunities for earnings are available to Minnesota state bred horses, and only 31% of the money paid out in Minnesota is devoted to Minnesota state bred horses, Minnesota breeding volumes will remain suppressed beyond competitive norms because the cost of breeding, caring for and eventually selling or racing a bred horse are similar among all Upper Midwest states.**

## Breeding Index (A Deeper Look)

I compared “total state bred earnings” and “state bred registered foal counts” for the major racing states. This chart illustrates the Upper Midwest major racing states and offers a picture of breeding related to our nearest Thoroughbred racing and breeding competitors. The results were surprising and an entirely new insight related to Minnesota breeding emerged.



In 2003 Minnesota produced 97.1 registered Thoroughbred foals per million dollars of Minnesota bred earnings. By 2015, that number had fallen to 45.5. Nevertheless, Minnesota’s foal/state bred earning index indicates that Minnesota breeding activity is more significant than many people might realize. In fact, 2015 Minnesota bred foal volume per state bred earnings are more than double the national average foal volume per purse.

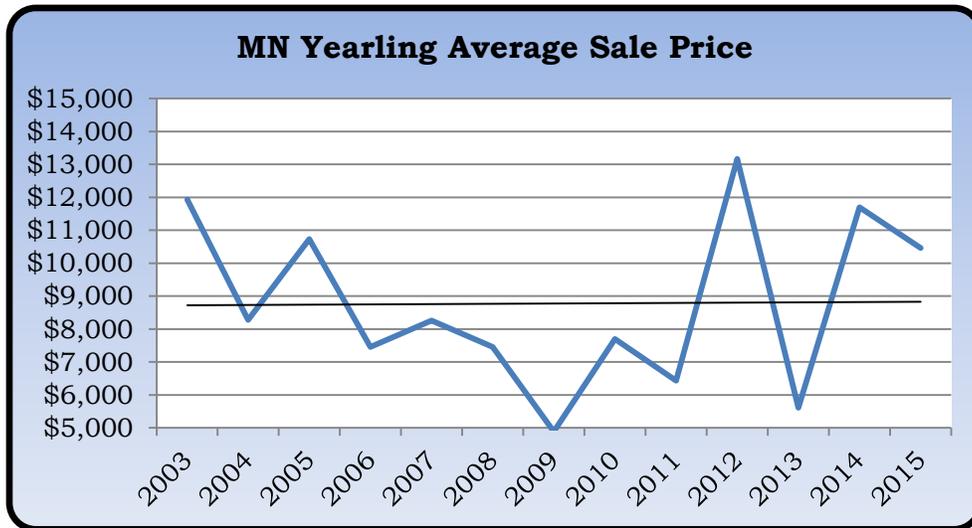


Minnesota breeders are not just competitive in breeding volume when state bred earnings are factored in, but superior. In fact, **Minnesota breeders produce more foals per state bred earnings than any other Upper Midwest state, and are therefore more supportive of state breeding than economic logic should dictate.** For example, Iowa produced 242 foals in 2015, with state bred earnings of 8.16 million dollars. Minnesota produced 223 foals with state bred earnings of only 4.9 million dollars. Subsequently, the 45.5 foals produced per million

dollars of earnings in Minnesota in 2015 is 53% higher than our nearest competitive and geographic neighbor Iowa!

## Yearling Sale Prices and Index

Breeding is directly affected by sale prices.



Some people who expect higher Minnesota bred breeding volume fail to realize that Minnesota yearling sale prices are lower than economic logic dictates. The 2013 through 2015 period reflected lower prices than those realized a decade earlier in the 2003 through 2005 period. **The \$9,256 average in 2013 through 2015 is amazingly 10% lower than the 2003 through 2005 average of \$10,313. When adjusted for inflation, price values have actually declined 28% over this comparable period!**

These results are confusing since Minnesota bred average earnings per starter during the 2003 through 2005 period were only \$9,128, and now a decade later the 2013 through 2015 period reflects \$13,004 in average earnings per starter. Unadjusted earnings were comparably up 42.5%, but unadjusted prices were down 10%. These results are even more confusing when national averages indicate that yearling average prices went up over 19% during the comparable period.

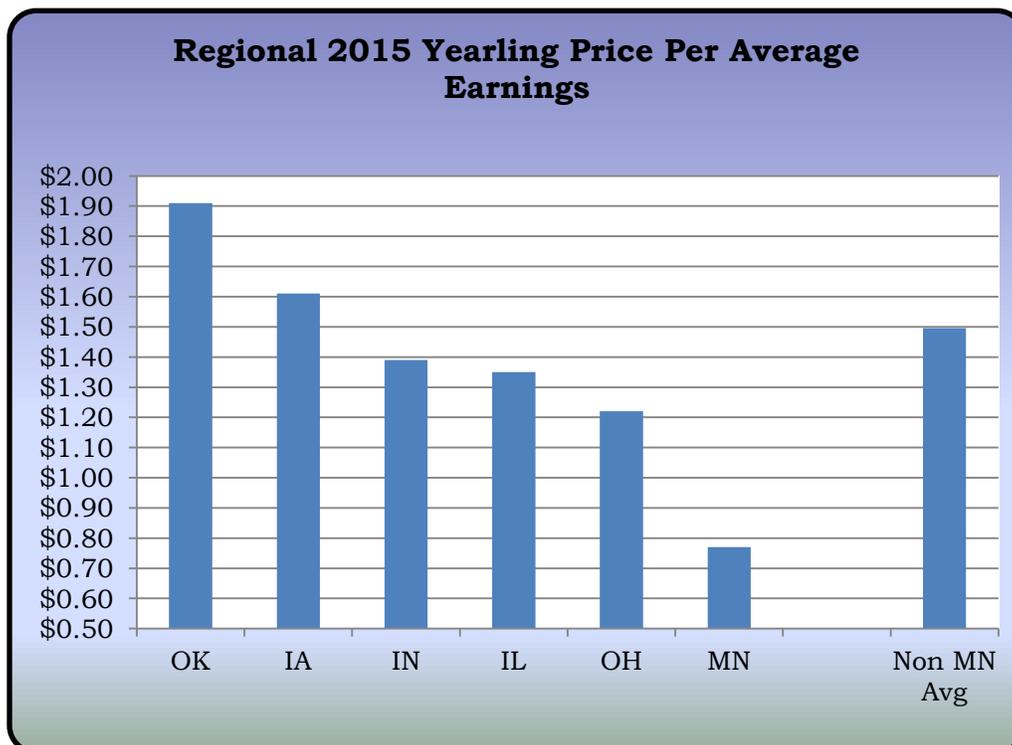
I then related average prices paid per yearling to Minnesota bred earnings per starter. This creates a sales price index reflecting the relationship of yearling prices realized per dollar of earnings. In other words, if the average price of a yearling was \$10,000, and the average Minnesota bred starter earns an average of \$10,000, the result would be \$1.00 in price per \$1.00 of earnings.



This index reflects a consistent decline while the nation has experienced a consistent increase. To explain this better, Minnesota yearlings in 2015 sold for an average price of \$10,458. The average earnings of a state bred horse in 2015 were \$13,569. As a result, the price per earnings index was \$0.77. In other words, a Minnesota yearling sold for 77 cents per dollar of earnings in 2015. The index in 2003 was \$1.41.

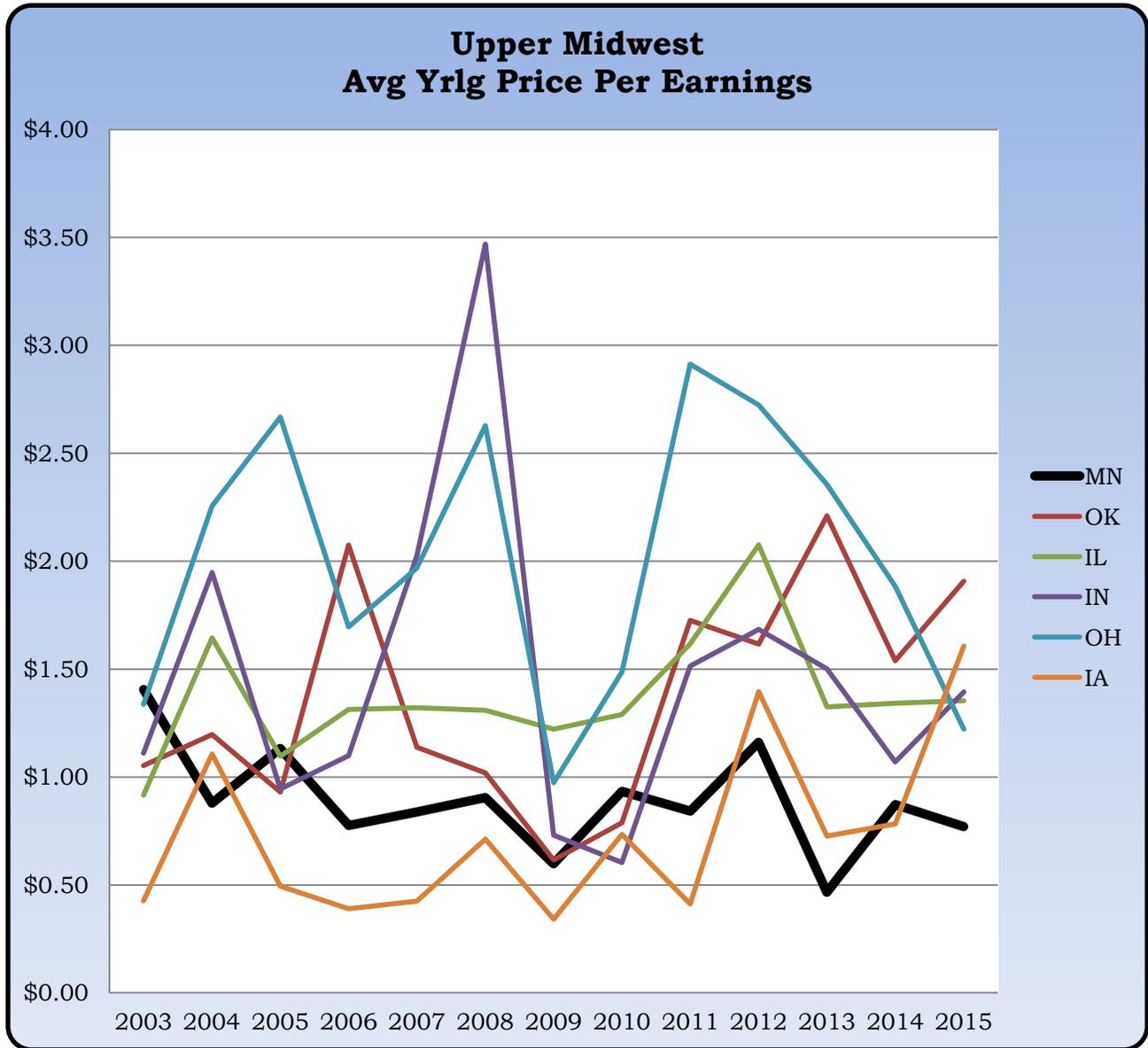
Minnesota breeders have realized lower and lower multiples related to yearling prices per earnings. Minnesota breeders only realized 70 cents per dollar of earnings when they sold a yearling during the 2013 through 2015 period of time. A decade earlier, breeders realized prices of \$1.14 per dollar of earnings over the comparable period. This 39% decline is significant.

In isolation, this index may mean little but since logic dictates that earnings potential drives price appreciation, the Minnesota results should be compared to other states.



For a specific geographic comparison, Iowa's 2015 average earning per starter were very near Minnesota's (\$14,435 compared to Minnesota's \$13,569), yet their average yearling sold for \$23,191, versus the Minnesota average yearling price of only \$10,458. In fact, Minnesota's 2015 price per earnings index of \$0.77 is nearly half of the average 2015 price per earnings average of the Upper Midwest geographic competitors.

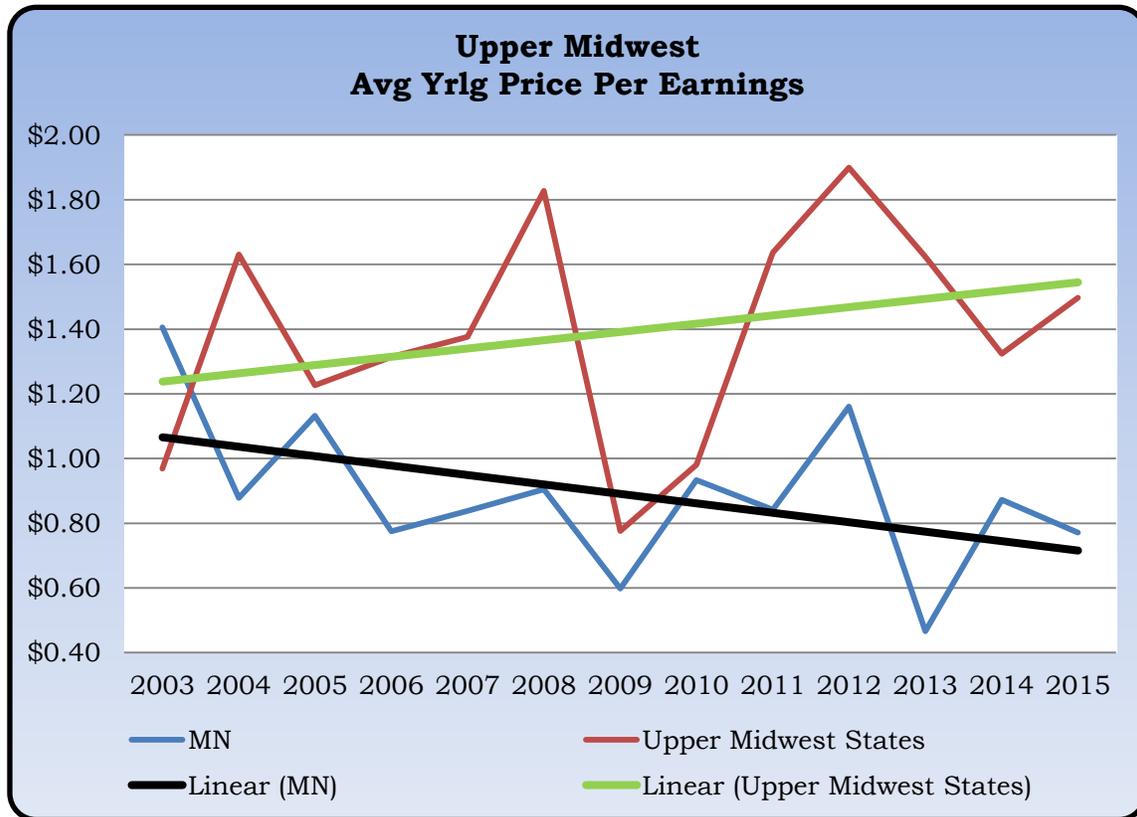
Rather than just review the most recent 2015 data point, I wanted to compare Minnesota to other states and determine if the Minnesota ever declining price multiple was being experienced elsewhere. To do this, the following chart was developed and reflects a time based comparison of all the Upper Midwest states related to prices per earnings.



This very busy chart highlights where Minnesota has stood over time related to this key sales index. The chart highlights the variation by state year to year, but also illustrates the generally

uncompetitive position Minnesota realizes in the Upper Midwest. Minnesota had the lowest average yearling price per earnings of any state in the Upper Midwest in 3 of the last 4 years.

To create a clearer understanding of this index and trends, I developed the following slide.

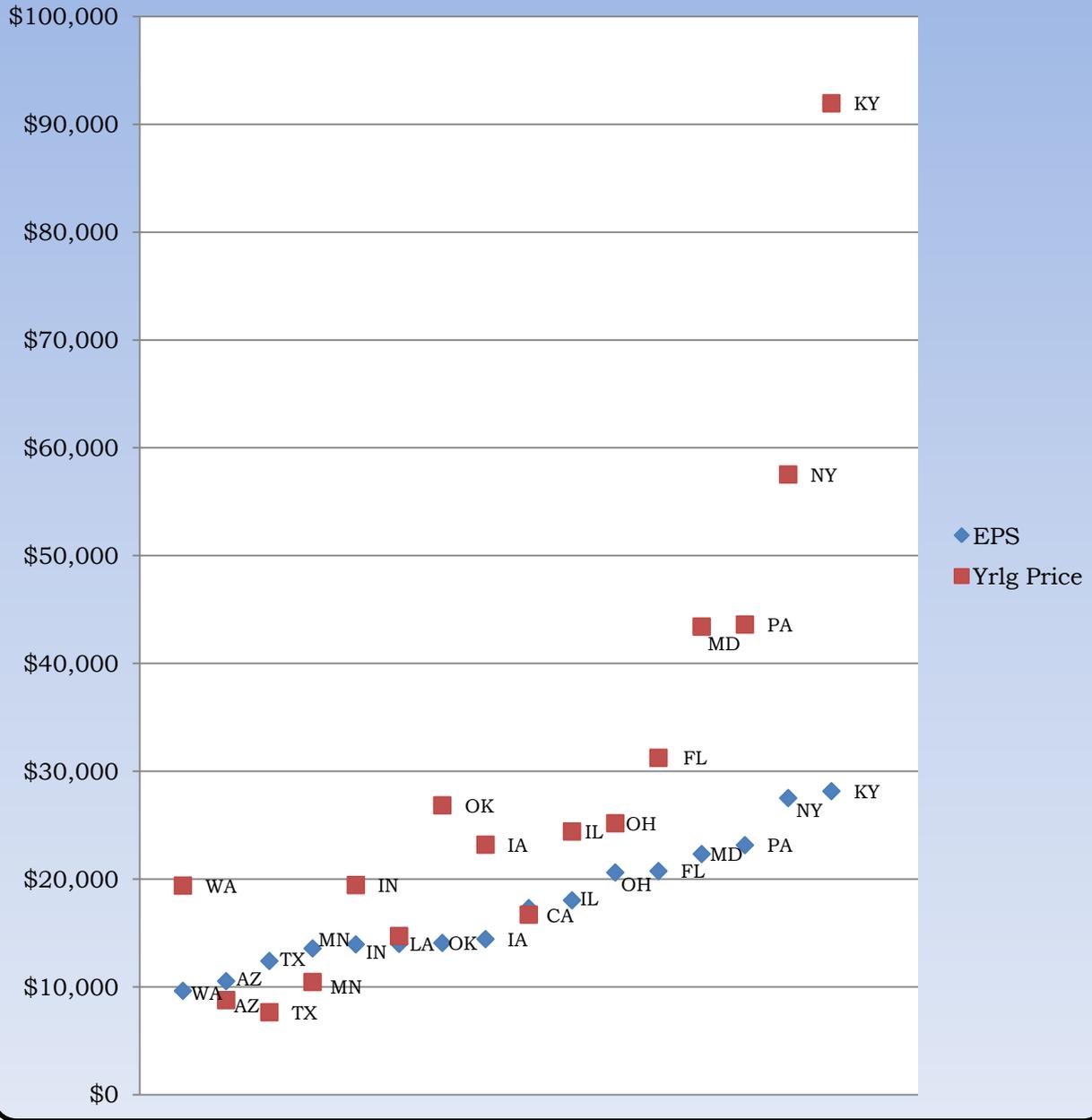


As can now be seen, the Upper Midwest states are consistent with national trends showing a consistent improvement in prices per earnings. The linear trend line makes this clear. On the other hand, Minnesota's linear trend line demonstrates an opposite trend that is disturbing. **In spite of having the lowest earnings per starter in the Upper Midwest, Minnesota has the lowest prices per earnings, and a consistently downward trend.**

The question present in all sale data relates to the quality of the population presented for sale. In other words, are the better horses kept by breeders and not sold. The issue of whether or not any sale population is "sub-select" has been studied by me over the years by comparing eventual earnings. **"All sales are sub-select" to differing degrees.** In other words, the quality of yearlings in a sale is lower than the quality of the population not in the sale, but this is generally similar in all sales, including Minnesota. The comparative relationships in these charts would not be affected by this factor.

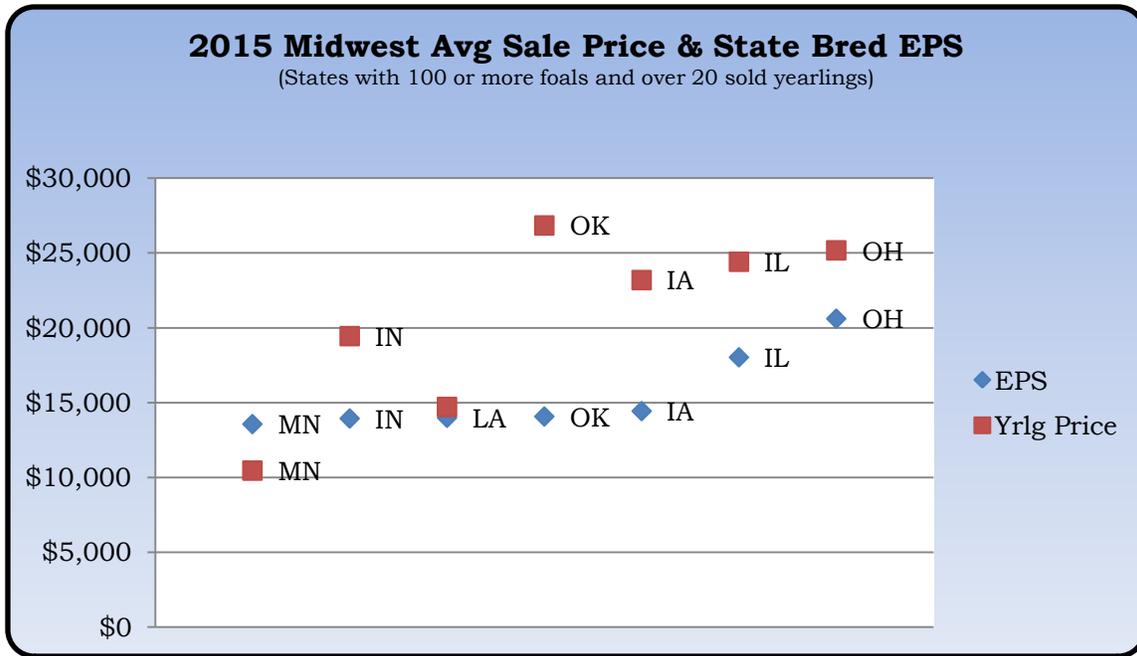
On a broader basis, Minnesota's EPS versus Price ranking among all states was reviewed.

**2015 Avg Sale Price & State Bred EPS  
(States with 100 or foals and over 20 sold yearlings)**



This scatter diagram reflects the clear correlation between earnings and prices nationwide. Minnesota is one of only three states with an average yearling price under the average earnings per starter.

Following is the same scatter diagram for the Upper Midwest states, though I included Louisiana for the benefit of some Minnesota breeders who were interested in how that state compared to Upper Midwest states.



Minnesota ranks last in both earnings per state bred starter and state bred yearling price, and is the only state in this group with yearling prices lower than average earnings.

The price/earnings charts should eliminate any wonder people may have related to why Minnesota's Thoroughbred breeding volume has not increased more substantially than it has. **Simply put, Minnesota registered foal volume is below levels realized a decade ago because Minnesota breeders realize 40% less value than they did a decade ago. They also realize 50% lower value than breeders do in the other Upper Midwest breeders do.**

The recently concluded Minnesota Thoroughbred Association 2016 auction indicated a \$10,500 average price per foal. That was an expected solid improvement over the \$7,500 average realized in that same auction in 2015. Nevertheless, what many people seem to chose not to realize is that the near \$10,500 MTA 2016 average is essentially the same as the 2015 Jockey Club Minnesota average of for Minnesota bred yearlings in all auctions utilized throughout this analysis. Consequently, there is no expectation that results will substantially improve once the 2016 Jockey Club data becomes available.

If Minnesota bred average prices per yearling were indexed against earnings at the same level as other Upper Midwest states, the Minnesota average yearling price would approach \$20,000. A price change of that magnitude would create profitable scenarios for Minnesota breeders, and obviously affect both breeding volume and quality.

## Summary Minnesota Breeding Findings

Minnesota Thoroughbred breeding activity is easily understandable considering the developed information in this analysis.

**Fact 1: Over the last decade, inflation adjusted nationwide purses have declined by 16%, and Minnesota's inflation adjusted purses have increased 15%.** Minnesota has closed the gap on a nationwide basis however the gap was large to begin with. This observation may be in contrast to thinking that presumes the 2012 Mystic Lake racing subsidy arrangement created a “substantially” favorable breeding environment. Economics for racing in Minnesota are slightly better than they were a decade ago but state breeder economics are actually worse.

**Fact 2:** The Minnesota post Mystic Lake paid purses have gone up 118% since 2011, but “state bred” total Minnesota paid purses have only gone up 36%. Minnesota “state bred” earnings are not competitive, evidenced by them being the lowest in the Upper Midwest. **The desire to attract non-Minnesota bred horses to Minnesota racing resulted in near 5 times more “additional” purse funding being directed toward non-Minnesota bred horses than Minnesota bred horses.** The Minnesota paid purse distribution methodology increased non-Minnesota bred starters by paying the lion's share of additional purse monies to non-Minnesota bred horses. **In 2015, the lowest percentage of total state purse dollars paid, in all 6 Upper Midwest racing states, was directed to Minnesota state bred (31%).**

**Fact 3: The short term benefit of attracting non-Minnesota bred horses to Minnesota was clearly beneficial to the Minnesota racing product in general.** It was a smart short term move that generated immediate Minnesota racing revenue and a higher quality racing product (non-Minnesota bred horses). Non-Minnesota bred horse starters shipped in to race in Minnesota, and the non-Minnesota bred starter volume increased 76% from 2011 through 2014. Meanwhile, Minnesota state bred starters declined 23% over the same time period.

**Fact 4: Interestingly in 2015, non-Minnesota bred horse starters declined by 8% from the prior year, and Minnesota bred horse starters increased for the first time in 7 years!** This may indicate a tipping point related to the need to rely “more” heavily on Minnesota bred horses to create a competitive future racing product.

**Fact 5:** Low Minnesota state bred earnings have driven low realized value in state bred, whether they are sold as yearlings or kept and raced as home bred. Comparatively, **Minnesota state bred rank dead last in auction price per yearling and state bred earnings among all Upper Midwest racing states.** Even though Minnesota has the lowest state bred earnings in the Upper Midwest region, **Minnesota is amazingly the only Upper Midwest state with average yearling sale prices under the average earnings per state bred starter!**

**Fact 6:** State bred breeding creates long term racing product benefits to Minnesota racing. State bred represent an essentially captive supply of the raw material related to the Minnesota racing product. **Over 90% of all state bred earnings are earned by state bred in Minnesota,** which exhibits the captive nature of this population. This population should be nurtured, as it is in many other states to a much greater degree. **A current sensitivity analysis suggests that for every \$1,000,000 of additional Minnesota state bred earnings,**

**50 more state bred foals will be born annually, with each crop running between 3 and 4 years on average.**

**Fact 7: Minnesota breeders breed in the “highest volume in the Upper Midwest”, once breeding volume is properly indexed against state bred earnings.** Loyal Minnesota state breeders and owners have measured the “pocketbook” value of breeding over many years. Many have taken losses, and/or have been paid much less than minimum wage for their labor.

## **Summary Informed Opinion**

Though related, breeder needs and motivations are different than horse owner needs and motivations. Thoroughbred racing owners are attracted to racing by the lifestyle. **While economics matter to owners, the elite lifestyle associated with racing ownership is the greatest appeal.** Successful marketing efforts focus on this “owner lifestyle”. Breeders on the other hand see their activity in racing as agricultural. This agricultural activity is far from an elite lifestyle but much more akin to a classic “crop” farming lifestyle. **Economics are consequently much more important to the breeding segment of those involved on racing.**

Based upon my study of variation, certain jurisdictions design economics, marketing, incentives and even breeder representation to recognize the unique needs of the breeder segment of the racing industry. Jurisdictions that create economic incentives that not only appeal to the occasional breeder but to commercial breeders also, effectively drive crop production. This horse crop is of course the raw material required to produce a racing product.

When ***uncompetitive state bred purses*** are combined with ***uncompetitive realized sale prices***, and historically ***unpredictable Minnesota state breeder’s fund incentives***, Minnesota breeder optimism is simply lower today than it was a full decade ago.

Considering the factual “outlying” nature of Minnesota breeding economic indicators, Minnesota breeders simply breed more prolifically than economic logic would dictate. This likely means that breeders do not understand competitive disparities, or simply find the current conditions acceptable.

Minnesota breeder complacency means that they will likely continue to accept the current conditions which result in unpredictable incentives, bottom level Upper Midwest comparative state bred earnings, bottom level Upper Midwest crop prices, bottom level Upper Midwest in-state purse distribution percentages and the resultant inability to market Minnesota horse ownership with meaningful economic references.