

Another Minnesota Thoroughbred Breeding Myth

By Dave Astar, February 2017

Over the past 3 weeks I have discussed ideas related to improving our Minnesota Thoroughbred breeding environment. These meetings have been in small groups with participants ranging from former racing executives, consultants, bloodstock agents, actuaries, state employees and most importantly state breeders who have expressed interest in understanding more about the “breeding system” that exists in Minnesota.

The “breeding system” is not one thing. It is the collective effect of breeding incentives, purse distributions, breeding program definitions and rules, state bred restricted race opportunities, the stallion auction market, the yearling auction market, and the marketing of the Minnesota breeding “system” itself.

Discussions that isolate individual elements of our Minnesota breeding system are the equivalent of discussing the individual parts of a car when purchasing one. The real issue is how those parts work together and interact to produce an effective vehicle. This “interactive effect” is one of the key reasons I have engaged folks in small sessions. I do not want to simply communicate data but to instead “create understanding” of information that emanates from data about the “breeding system” in Minnesota.

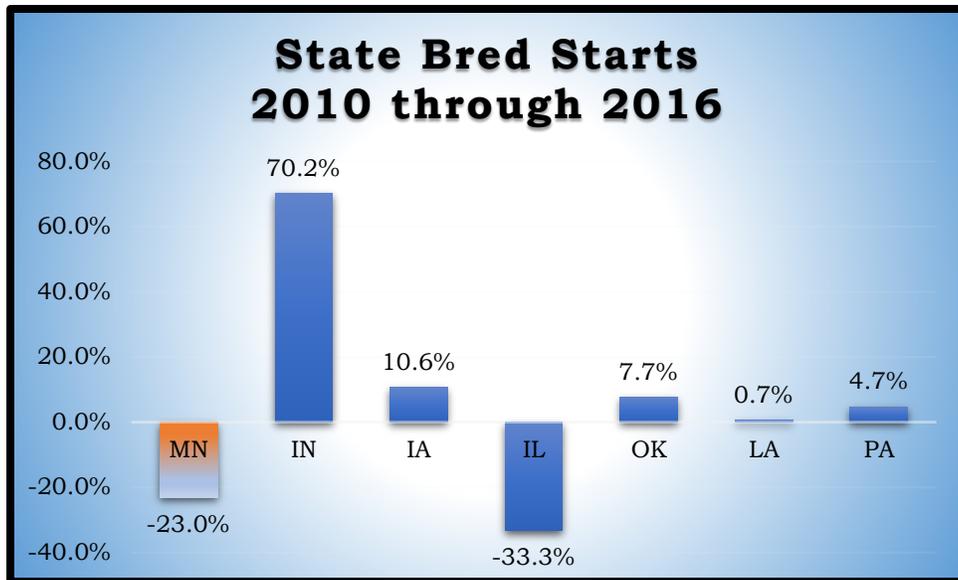
Time after time I have found one myth that seems to be believed, but is also consistently dispelled once information is offered.

The Myth

“The Thoroughbred breeding system in Minnesota could be better but works just fine, because even though our Minnesota breeding is not robust Thoroughbred breeding has declined everywhere and we are doing better than others.”

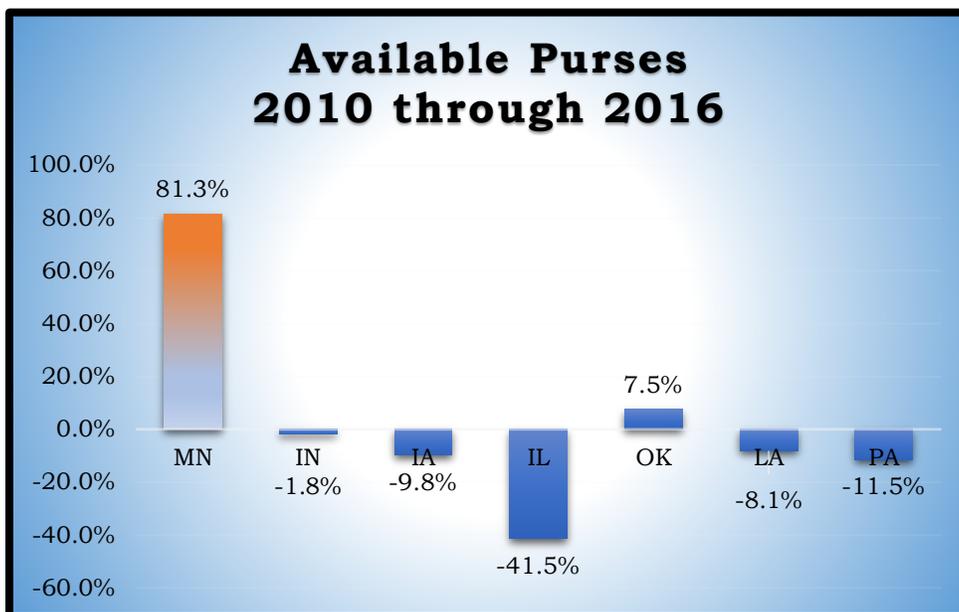
Unfortunately, nothing could be further from the truth and in fact, the Minnesota “breeding system” needs to be improved to move from a dismal to a merely mediocre competitive position. Therefore, promulgated myths are so very damaging to progress, and frankly why honest transparency is needed to motivate constituents to improve. You see, not only does the breeding system directly affect a key agricultural endeavor in Minnesota but it affects all elements of the multimillion dollar Minnesota Thoroughbred industry, and every business attached to it.

While integrated solutions are complex, and they may need to involve multiple elements of the overall Thoroughbred “breeding system”, myths about the factual status of the Thoroughbred breeding system are not. I have found the following three charts, out of literally hundreds I have constructed from the 2017 Jockey Club Fact Books, seem to be the most impactful in dispelling the myth mentioned earlier.



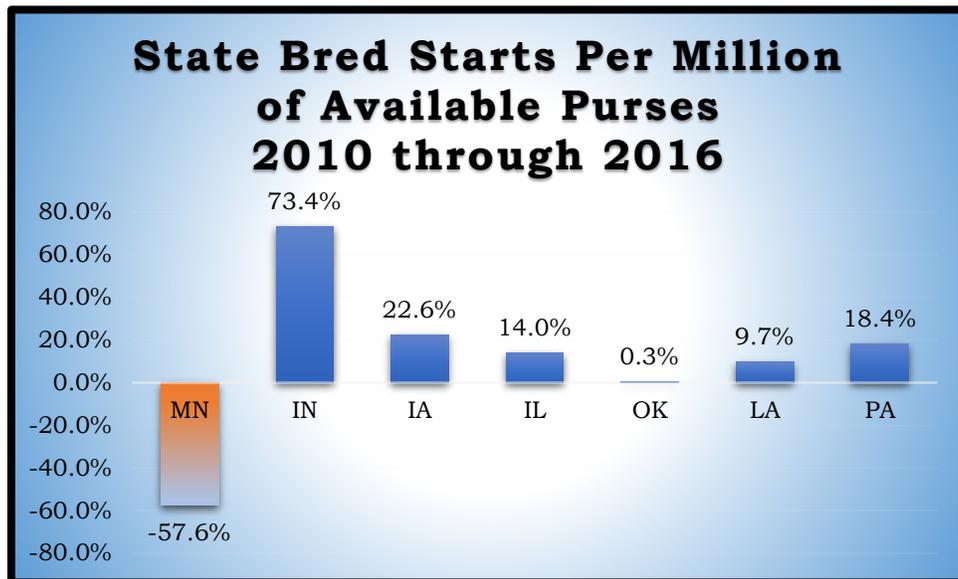
The first chart illustrates the actual number of starts our Minnesota state bred horses have had over the last six years. This means that the number of times our state bred horses have raced has dropped 23% over the last six years. To be specific, our state bred horses raced 2687 times in 2010, but only 2068 times in 2016.

Racetrack starts reflect the “true impact” of breeding, and during this period racing starts dropped 20.6% nationwide. Maybe that’s why some people believe in a myth that suggests Minnesota breeding is fine because everybody is doing poorly, but are they? Many states have not suffered circumstances that have prevented their state bred horses from racing. In fact, several states have bucked nationwide trends. Furthermore, states that we geographically compete with in the upper Midwest have done quite well, save Illinois.



This second chart illustrates a very important set of facts by illustrating the change in available purse money, which naturally should be the underlying driver of breeding activity. Due to the 2012 Minnesota, Mystic Lake arrangement, our available purse monies increased 81.3%! Beside Minnesota, only Oklahoma saw an increase in available purses, of those states illustrated. Furthermore, the Illinois 33.3% state bred racing start decline illustrated on the first chart seems much more understandable considering the 41.5% Illinois available purse decline.

So, this second chart seems to clearly indicate that despite available purse declines and a nationwide drop of over 20% in racing starts, many states increased their state bred racing starts. Meanwhile Minnesota, with a massive 81.3% available purse increase, still experienced a 23.0% decline in their state bred racing starts. How curious, right?



By putting this data together for the first time ever, I could help people finally see how dramatic our “Minnesota state breeding system” issues were. Over the last six years, the competitiveness of the overall Minnesota breeding system has not been addressed and improvements are required.

The inability to drive state bred “actual racing volume” to our local racetrack is terribly disappointing, and driven by both economic and behavioral conditions. A general lack of understanding related to the integrated nature of a “breeding system” is the culprit. Incentives, purse distributions, breeding program definitions and rules, state bred restricted race opportunities, the stallion auction market, the yearling auction market, and the marketing of the Minnesota breeding “system” itself, should all be a part of intelligent dialogue if we are to fix a clearly uncompetitive situation.

In closing, myths can be terribly damaging to progress but then again there’s this.

The Truth

“The best time to plant an oak tree was 50 years ago, and the next best time to plant an oak tree is today.”

