



Randwick Bloodstock's Fillies and Mares For Sale

Dear Melissa,

We are now half way through the 2010 yearling sales season and I'm happy to report the market is holding up very well. Magic Millions Gold Coast, Inglis Classic, MM Perth and the NZ Bloodstock Sales Series have all seen an increase in averages, with the latter sale perhaps surprising all and sundry with a major jump north. Congratulations to NZB and those vendors that offered their product at Karaka last week. Some of my fellow countrymen may castigate me for the following comment, dare I say it, but the Kiwis continue to do an excellent job marketing their horses. By no means is this a slight against Inglis', MM or Aushorse, as in my opinion all these organisations have really done a tremendous job with their marketing over the past year, however, the Kiwis have the luxury of being able to focus the majority of their efforts on one major sale each year, where as the Australian market is a lot more fragmented, with currently the two opposing auction houses conducting a dozen yearling sales over a six month period, in every state and territory except for the ACT.

For nearly the past twenty years NZ has not been privy to the massive new investment that the Australian breeding industry has witnessed. At a guess I'd say that for every new \$100 invested in Australia there has only been the equivalent of \$15-20 invested in NZ. Theoretically they are entitled to have fallen well behind their Aussie counterparts, but in my opinion they continue to punch well above their weight.

I put this down primarily to the fact that a much higher percentage of Kiwis are running their thoroughbred breeding operations as a business. Most of their stud farms and broodmare operations are owner/managed. There are also a large number of Kiwi breeders that live on farms where they run their thoroughbreds as an aside to their other agricultural or business activities. Those breeders that don't have their own farms, usually live in very close proximity to their stock, hence, are able to inspect them on a regular basis. In theory, if you are seeing your stock daily or habitually, you are better placed to make the right decisions concerning their management.

Here in Australia we now have a situation where the vast majority of breeders that own our better broodmares are for a better word "hobbyists". They predominately live in our capital cities or overseas and rarely get to see their stock. They are heavily reliant upon others to provide them with information and feedback regarding their mares, foals, weanlings and yearlings.

Most of the Australian stud/farm managers that I deal with are extremely competent people, but I would happily bet that most of them at times have strenuously disagreed (verbally or non-verbally) with many decisions that either their proprietors or their clients have thrust upon them in respect of the horses that they own. Decisions such as which horses to retain, sell or purchase, what reserves to set at auctions when selling or what values to bid to when buying, what stallions to use each season, and what mares are to visit those stallions, etc, etc.

Most managers will identify these as business decisions. A manager would usually be expected to influence their proprietors or clients decisions with some sound advice. After all a manager in any organisation is normally a person with a wealth of knowledge and experience and is usually at the coal face 24/7. Logically you would assume that they are in a great position to help. I'm afraid to say that in many instances, this is rarely the case.

I had a discussion at one of the recent yearling sales with in my opinion one of Australia's very best managers. I quizzed him regarding his relationship with his proprietor. I couldn't believe what I was hearing. Despite having access to one of the best minds in the business, this proprietor still wanted to make many of the decisions regarding the management of his stock with minimal consultation or input from his manager. Needless to say the results achieved by this proprietor to date relative to the size of their investment are extraordinarily poor.

This almost comical situation has given me the inspiration for the topic for my next newsletter, which will be "How to succeed and profit from owning thoroughbreds?"

Entries for the Inglis Easter Broodmare Sale are closing this Friday 12th February. Just in case you're still at loose end with what to do with your racemare or broodmare regarding the sale, a reminder that Randwick Bloodstock is still taking bookings for it's draft for this particular sale. For more information, please feel free to call me or visit the Auction Consignment page on our web site.

At present there are no farms in Australia that specialise purely in the sale of breeding stock, both privately and via auction consignment. 2009 was Randwick Bloodstock's first year of operation in this capacity and in quite a difficult market we were able to sell 100% of the stock that either came to our farm for private sale or that was consigned to auction. To help supplement the farm's income we also took some seasonal borders. I'm proud to announce that at season's end, of the 12 mares we foaled down, we had 12 healthy live foals and of the 24 mares that we walked out, all 24 mares tested 45 days in foal. A very large thank you to all the people that were prepared to give us a try in our first year of operation. 100% is realistically an impossible target to maintain, but as most of our clients will testify, the Randwick Bloodstock team of Kim, Melissa, Rachael and yours truly, will be using their very best endeavours to replicate this result for 2010.

You will see from the below information, the number of listings are on the rise. We also have several very nice mares and racefillies on offer that are not listed on our web site. These range in price from \$200,000 to \$650,000. So if you are in searching in that area of the market for something, can I suggest it's worth a call. Please remember this time last year we had a couple of mares listed on our web site that we were unsuccessful in selling for their vendors. These mares were subsequently offered at the Inglis Easter Broodmare Sale and sold for more money, one mare in particular selling for \$235,000, \$85,000 above what she'd been listed for sale for on our site. Ironically, when she was listed with us, the vendor was prepared to accept an offer of \$120,000, but no offers were forthcoming! As I always say, if there is ever anything that you see listed on our site, don't be afraid to send us an email or give me a call. Nothing ventured, nothing gained.

Until next time.

Best Regards,

Brett Howard

P.S. I am very much looking forward to attending Thoroughbred Breeders NSW Seminar planned for next Thursday 18th February at Canterbury racecourse. For those of you interested in learning more about our industry, I implore you to be proactive and make the effort to be there. The seminar will run from 1pm to 5pm and topics on the agenda include "Business & Tax Tips for Thoroughbred Breeders", "Understanding the Australian Stud Book's role & Thoroughbred Breeding Information", "Assessing and understanding Thoroughbred Sales and Racing Information" and "Managing your investments - Buying & Selling Bloodstock." For those of you that would like to stay on after the seminar, TBNSW have organised drinks and a three course meal in the Directors Dining Room from 6pm, where you can watch the Canterbury Night Race Meeting unfold until 10pm. For more information on this top-notch event, please contact Andrew Cook at the TBNSW office on 02 9398 8811 or email tbnsw@bigpond.net.au

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