



## Randwick Bloodstock's Fillies and Mares For Sale

### Contact details

Dear

A belated "Happy 2009" to you.

I suppose we thoroughbred industry people should be happy with how our year has started. We are nearly half way through the yearling sales season and as it stands at present, the market is down roughly 20-25% on 2008 prices. This is much better than where our share markets are and where many industry people had predicted we could be, which was down as much as 50%. I'm not suggesting we should break open the champagne, but I'm sure we are all somewhat relieved that a "blood bath" appears to have been averted.

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Despite all the doom and gloom that is around at present, I believe money can be made in our industry in the present economic climate. I have already seen quite a few pinhooks sold profitably at this year's yearling sales. Remember, these horses were purchased as weanlings at the peak of the market in 2008, yet their buyers have still been able to make money in a market that has fallen 20-25% over the past six months. I imagine that there will be quite a few more foals on offer this year and obviously fewer buyers for them, so this is something you might like to consider if your'e on the look out for money making opportunities.

It is also worth noting that for any fillies and mares purchased off the track to go to stud this year, their first produce will not be offered until the 2012 yearling sales. Likewise, any mares pregnant from 2008 coverings, this produce will be offered at the 2011 yearling sales. The economic forecast at this time is for the downturn to stay with us throughout 2009 and into 2010, so hopefully by 2011 and certainly by 2012 and beyond, markets will once again be tracking upwards.

What could also assist many breeders to make some money over the next few years, plus help to keep many others a float, will be if the stallion masters are prepared to significantly lower their service fees. Personally, I thought last year's stallion fees were over inflated and offered little value for broodmare owners. I was obviously in the minority, as stallion after stallion standing on many of the larger commercial farms covered full books of mares.

Congratulations to those stallion masters that have done well financially over the past few years. To some extent, the ball is now in your court in terms of how profitable you'd like your clientele to be over the next several years. I think reductions in stallion service fees of around 40% to 50% across the board would be a major economic stimulus for many of your clients. If you're too (dare I say it) greedy, I fear many mare owners will just put their hands up in the air and say I'm out of here. Nearly every breeder I've spoken to in the past month has asked me the same question, "What are the studs going to do with their 2009 fees?". The first stallion master that is prepared to advertise their fees at significantly reduced rates will be widely applauded by all and sundry.

We have quite a number of new listings on offer. As expected a large percentage of our vendors are selling for financial reasons. You will notice that a lot of these listings are well priced as many of our vendors have been prepared to go along with our valuations which are presently at 25-30% below mid-2008 prices.

Until next time,

Best Regards

Brett Howard