



It's all change at Keeneland

A smaller catalogue and fewer top level individuals have caused the sales executive to make format changes to Book 1 and 2, reports **Frank Mitchell**

Photos by Z / courtesy of Keeneland

BILLED AS THE world's largest yearling sale, the Keeneland September Sale will run this year from September 12 through September 26, with a one-day hiatus between Book 2 and Book 3.

The auction not only attracts an amazing percentage of each year's US yearling crop (approximately 20 per cent) but also draws bidders and their agents from around the world. In addition to the well-known equine stars of European and US racing in the recent Russian Derby, the first three past the wire were all sold at Keeneland.

The Keeneland sales staff long ago realised the importance of international buyers for their auction's success and have made international relations a serious component of their marketing strategy.

Geoffrey Russell, director of sales for Keeneland, says: "The Europeans in the 1980s expanded the commercial market to what it is today. Now there are 65 countries that race thoroughbreds and we had representatives from 43 of them here at Keeneland last year. The thoroughbred world is global, and the US thoroughbred is very popular, especially in South America, for the influx of speed it can offer."

Keeneland is also offering a somewhat different format to their September sale this year. Russell said: "The last change to the September sale was nearly 20 years ago so we felt we needed to adapt to the changes in the thoroughbred auction market."

The first book will have 211 yearlings catalogued to sell in two evening sessions on September 12 and 13. Distorted Humor, A.P. Indy and Giant's Causeway have the most yearlings catalogued, and other stallions with numbers of representatives in the first book include Bernardini, Mr. Greeley, Smart Strike, Tiznow and Unbridled's Song.

"The matter of first importance," Russell says, "was to have a high-quality Book 1 with the best pedigrees and physicals in the market and to showcase them in two evening sessions."

In contrast to the opening sessions of the September sale, the second book will have 1,301 yearlings catalogued to sell in four sessions held through the day from September 14 through the 17.

And yes, you read that correctly. There are six times as many horses in Book 2 as in Book 1.

Russell explains the rationale behind the redesign of Book 2. "Our concept



Geoffrey Russell, Keeneland's director of sales, says that working out the barn arrangements has been the most difficult part of organising the format changes

was to follow our consignors input and selling them alphabetically, with the criteria the same for all four days.

"Laying out the logistics was the most difficult part of the change," he explains. "We have set out the barn arrangements most suitable to the buyers rather than for the consignors, so that buyers can follow the progression of sales yearlings across the grounds they are accustomed to."

Breeders and consignors have

praised the organisational changes.

Rob Whiteley, owner of Liberation Farm, says: "I'm pleased with Keeneland's management in their innovation and willingness to try out a format that gives greater continuity to the higher-profile offerings. I believe that the alphabetical sequencing spread over four days will smooth out various marketing irregularities and bumpy transitions from buyer group to buyer group."

Pam Robinson, consignor and co-owner of Brandywine Farm is happy to embrace change. "I think it is innovative of Keeneland to try something different. I've always thought it difficult to sort out Book 2 and Book 3 horses in the past.

"I believe it will also keep some buyers around to inspect more horses or different horses. That's a good thing for sellers and for buyers, and personally, I think it would be even better if the whole catalogue were done alphabetically from front to back."

Restructuring the sale so that its entire arrangement fell alphabetically according to the dam's name would require buyers' agents, for one, to rethink how they approach the sale in search of horses for purchase.

Such a change would also probably require a shorter sale. That did not hinder the optimism of the intrepid Robinson, who

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say: "I wouldn't be opposed to seeing longer days of selling and fewer days overall."

Such a system would naturally place quite a number of expensively produced and highly pedigreed yearlings at the end of the sale, whereas Keeneland generally arranges more expensive lots near the beginning of the sale at present.

The changes that Keeneland have made required time for planning and discussion, purely from the organisational standpoint.

"I appreciate that Keeneland elicited considerable participation prior to formalising plans, and I believe that any efforts to make things better can be evaluated and modified going forward," says Whiteley.

Not every aspect of the reformatted first half of the sale at Keeneland is a benefit. For consignors, the new arrangement is more complex.

Robinson says: "In terms of managing a consignment, having 20 in Book 2 will be more challenging. We have 14 horses that will ship onto the sales grounds on Friday, September 10 and start showing on Saturday, and we have nine more who will ship onto the grounds Sunday and start showing Monday.

"So for a couple of days, we will have two complete barns showing horses with two complete crews. So as a consignor, it will be more expensive to run two barns. It's different and a greater challenge. We will

see how well it is received by the buyers and how the help situation works out."

A migration from Kentucky?

The format at the September sale has been tweaked and the operation of differing barns, especially for consignors, will take some adjustment. But it's still the September sale. From an observer's vantage, the yearlings will still be there, and the buyers will wind their way under the tall elms in search of good horses.

The good stock will be there, but there is unease below the elms.

The breeding environment has altered radically in the US over just the last few years. States like Louisiana, Pennsylvania and West Virginia, among several others, have approved the placement of slot machines and other gambling devices primarily at racetracks with a small portion of the proceeds allotted to breeders' incentive schemes and race purses in those states.

The result has been phenomenal. States that only two, four, or six years ago had tiny populations of thoroughbreds and few, if any, recognisable stallions now have 20, 30, or 50 stallions and a population of mares that is growing every month.

This has little to do with the September sale this year, but everything to do with it in the future because a segment of Kentucky's

Republican legislators have blocked passage of bills that would allow something similar to be done in the Bluegrass state.

The difference between those states with a breeders' scheme funded by slots and those without has created such a difference as to what breeders can earn from a racehorse that thousands of breeders have left Kentucky to foal their mares in what they might have sneered at as the "provinces" a few years ago.

Robinson said: "Essentially, our legislators have done so much to undermine the Kentucky industry that there won't be much left before long – all the advantages have been handed to our competitors. You can't blame breeders who move their mares to states where they can earn more in breeders' incentives or from racing them."

Concerns about earning potential on the racetrack are especially sensitive in a time of depressed economics. In Louisiana, for instance, inexpensive claiming horses race for purses that are higher than the claiming prices. The state's better horses have good incentives, although not at the same proportion. But the effect of "bottom-loading" the programme is to distribute thousands of dollars to many breeders. So, if a breeder sells a yearling for \$5,000 or \$10,000, the breeder will earn 20 per cent of anything the horse earns. That adds up quickly with a fairish horse running for plump purses.



Will European buyers, such as Con Marnane (red striped shirt) be going to the Keeneland September Sale this year?



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It's something that Kentucky's struggling breeders would love to be able to race for.

Hundreds of farms and their owners in the greater Bluegrass region of Kentucky have followed a path similar to the Robinsons and their Brandywine Farm.

Pam Robinson owns Brandywine Farm with her husband Jim, and they began breeding thoroughbreds in North Carolina where they experienced success due their enthusiasm, dedication, and knowledge of physiology (Pam is a PhD in sports medicine and medical physiology).

On moving to Kentucky more than a decade ago, the Robinsons devoted all their energies to developing a commercial operation. Today they farm 600 acres in Bourbon County, house approximately 200 horses during the breeding season, and consign many of the youngstock to the better auctions for yearlings and weanlings in Kentucky.

"We are still optimistic that the Kentucky thoroughbred will get some changes before the industry has contracted below what anyone could have dreamed 10 years ago," says Robinson. "But the incentives for people to breed and race in Kentucky are not there, despite the depth of sire power here."

High covering fees have to work through

One of the great impediments to commercial breeders in the current economy is that they bred the 2010 crop of yearlings on fees set in 2007 for the breeding season of 2008. What a different world we are in now!

Yearling prices have plummeted, and their breeders are holding their breath in hopes of righting the ship before all is swamped.

"We are approaching the sales just hoping to hold our own against these high stud fees," rationalises Robinson. "We were so optimistic and so upbeat when we went to the breeding shed with these mares two and a half years ago, but now we are



Rob Whiteley: does not think that the dollar is weak enough to attract many European buyers to Keeneland Photo by Z

hoping to sell them for the stud fees."

That is about all breeders can hope for.

Amazingly enough, though, there is hope. Breeders hope that their stock will be attractive enough to allow them to survive, but they dare not hope for a last-minute rescue by the cavalry from abroad.

As Whiteley notes regarding overseas participation at the sales. "Europe is generally experiencing a parallel downturn, and I don't believe the dollar is weak enough, in itself, to create great fervour for buying in the US, unless there are specific offerings that are particularly appealing to bidders from overseas."

In the world market place, however, nothing sells like success, and one of the breeders who has experienced this world phenomenon is Whiteley, the longtime director of operations for Carl Icahn's Foxfield (which dispersed several years ago) and now a significant breeder of yearlings and weanlings for the commercial markets. He was lucky enough to sell Bahamian Pirate, early on his farm's breeding programme.

"Bahamian Pirate was a big and grand-looking son of Housebuster, was one of the first major successes of my fledgling breeding programme," says Whiteley

of the 2001 Prix de l'Abbaye and 2004 Nunthorpe Stakes winner. In fact the horse was one of the toughest horses in sport, running 104 times through 10 seasons and last showing stakes form at age 11.

Whiteley's success as a breeder with Bahamian Pirate led to the horse's dam, the Deputy Minister mare Shining Through, being sent to grander stallions, including the Champagne Stakes winner Grand Slam (Gone West). The resulting yearling went through the Saratoga Select Sale for \$1.7 million and was named Strong Hope. He became a graded stakes winner who retired to stud at Claiborne Farm with great expectations.

But Whiteley said that later success would not have happened without the first positive return, which he attributed greatly to Jackie Ramos, owner of Ashleigh Stud in Kentucky.

"Jackie Ramos has the most incredible eye for young horses that can go to Europe and do well," he smiles.

For Whiteley, the story could have turned out quite differently, as he was having difficulty selling a son of champion sprinter Housebuster in the US market.

"Bahamian Pirate was one of a frustrating long list of well-balanced athletes who looked like racehorses, but who was overlooked by prospective buyers. Thanks to Jackie, however, Bahamian Pirate had a wonderful opportunity with David Nicholls and Lucayan Stud. They and his move to Europe allowed his broodmare to reveal her tremendous inherent quality."

As usual among the four dozen barns of yearlings at Keeneland, there will be some big winners amongst both the buyers and the sellers. On both sides, Keeneland September is the first great trial ground for breeders and their bloodstock in the US.

But only one thing can be guaranteed from this year's September auction. Buyers will find uncommon bargains, perhaps even Classic winners and champions, amid the fault lines of a depressed economy. ■