

New York-Breds Give Owners and Breeders an Economic Edge

By Bill Heller

Success in Thoroughbred racing is predicated on getting an edge. Bettors, jockeys and trainers are constantly looking for an advantage. Breeders and owners seek edges too, and over the past two decades New York-breds have been providing them an economic edge on the racetrack and in the sales ring.

New York breeders and owners not only believe that they have staked their future on it. Proof is found in the fact that for the third year in a row, the New York foal crop has bucked the national trend by increasing. In 2015, breeders put 1,629 foals on the ground, a modest 26-foal increase over 2014 but a 33% increase since 2011. Overall, breeders are happy that they "got with the program."

"I wouldn't own a farm in New York if I didn't think it was a huge financial advantage," Becky Thomas of Sequel Stallions in Hudson said. "I started buying New York-breds in the mid-'90s. I started targeting New York-breds because we were rewarded in the sales ring. I breed in New York. I place my horse in the best possible venue to win breeder awards. But my biggest home runs have been New York-sired."

It's easier to hit home runs in New York. New York-sired NY-breds earn awards at twice the rate of non-NY-sired NY-breds: a NY-sired horse earns 30% of the first-place purse at New York tracks versus a 15% award if the horse is not by a registered NY stallion. Sequel Stallion's Freud, for example, has generated more than \$8 million dollars in breeder, owner and stallion awards since his first runners hit the track in 2005.

In 2015, New York sires continued to attract quality mares, which strengthened the state's breeding industry. Sunrise Stallion's Big Brown, who will stand for \$10,000 in 2016 at Dutchess Views Farm, ranked 37th nationally in progeny earnings. Freud, also standing for \$10,000 at Sequel Stallions, was 40th, and Posse, who stands for \$5,000 at Rockridge Stud, was 60th. The only state that had more sires in the top 60 was Kentucky.

New York's first-crop stallions also performed impressively in 2015. Giant Surprise, who was eighth nationally among sires whose first runners hit the track this year, will stand for \$5,000 in 2016 at Rockridge Stud, which also has first crop sire DøFunnybone, who finished 36th and will stand for \$2,500. Questroyal North's Courageous Cat finished 24th and will stand for \$6,000. It's important to point out that Courageous Cat's first crop of runners came from his stud debut in Kentucky, where he was competing against his full brother After Market. At the time, Courageous Cat's trainer Bill Mott said his charge had more natural speed and was "a little quicker on his feet" than his brother, an assessment probably based partly on Courageous Cat's posting of an incredible 1:31 3/5 mile in winning the Grade III Canadian Turf S. at Gulfstream. Keane Stud's Grade I-winning stallion Dublin was ranked 27th and stands for \$2,500. McMahon of Saratoga Thoroughbred's Here Comes Ben stands for \$7,500. Kaz Hill Farm's Bank Heist ranks 53rd but sees his stud fee move from \$2,500 to \$10,000 for 2016 based on his outstanding

PA-bred daughter Behrnikø Bank, who has now won two of three starts including the Blue Mountain Juvenile Stakes at Penn National.

On the track, the second-place finishes in the BreedersøCup by Effinex in the Classic and La Verdad in the Filly & Mare Sprint speak volumes about the quality of New York-breds. Effinex followed up his clear second to Horse of the Year American Pharoah in the BreedersøCup Classic by winning the Grade I Clark Handicap.

Dutchess Views Farmø ad on the back cover of the December 2015 issue of New York Breeder magazine celebrates their precocious two-year-old New York-bred colt Dr. Shane, who has already earned \$240,000 in purse money, \$60,000 in breeder awards and \$22,000 in stallion owner awards under trainer Nick Esler. øWith awards and purses like this, why would you breed or race anywhere else?ö the ad asks.

Michael Lischin, co-owner with Anya Sheckley of Dutchess Views Farm in Pine Plains, summarized the benefits: øHigh purses, small fields, running against other New York-breds, 30 percent breeder awards and 10 percent stallion owner awards.ö

He thinks Dr. Shane is a prime example. øWe owned the mare, French Link, who is modestly bred,ö Lischin said. øSheø a daughter of Orientate. We bred her to Freud for \$10,000. We raised the foal to get to the races. We had about \$30,000 into him to race.ö Not only has Dr. Shane already tripled that investment, but as Lischin gleefully points out, they still own the mare.

Lischin mentioned another success story: the speedy Marriedtothemusic, a son of Disco Rico out of Significant Other by Not for Love trained by Linda Rice. øHe has over \$300,000 in earnings,ö Lischin said. øAgain, heø modestly bred out of a mare we still own. I would say the good thing about New York-breds is you can race a homebred who can make a good mare.ö Marriedtothemusicø success allowed Lischin to breed Significant Offer back to the exciting young stallion Union Rags. She is now in foal to him.

Dutchess Views, which has 75 mares and bred 50 foals in 2015, also stands three stallions including Sunrise StallionsøBig Brown, who enjoyed a banner year highlighted by three-year-old multiple graded-stakes winner Dortmund. Big Brownø stallion fee for 2016 has been raised from \$8,500 to \$10,000. øWe had a great year,ö Lischin said. øWe bred 140 mares to Big Brown. We had mares for him coming from all over. People were shipping in from Kentucky.ö

That hasnø escaped Dee Dempsey of Spendthrift Farm, which stands Dublin and The Lumber Guy and is adding Normandy Invasion at Keane Stud in Amenia, NY. øIt seems like everybody is talking about the Kentucky-sired New York-bred foal,ö he said. øThey see it as a formula. Then they have to breed to a NY sire the year that Kentucky mare foals in New York. The program is very, very good. Purses are incredible, the best in the country, and itø probably the best racing.ö

Peter Kazamias, who stands Bank Heist and Hereø Zealous at his Kaz Hill Farm in Middletown, NY, said, øYou have good sires in New York,ö he said. øWe have roughly 50 mares.ö

Kazamias bred one of his mares, Behrnik, a daughter of Chimes Band, to Bank Heist. The two-year-old filly she foaled, Behrnik's Bank, was a Pennsylvania-bred but is eligible to the New York Stallion Series. She began her career in Pennsylvania-bred races at Penn National, winning a maiden special weight by 18 ½ lengths and a Pennsylvania-bred stakes by 13 lengths for trainer Dimitrios Synnefias. Kazamias, who is now Behrnik's Bank's trainer, shipped Behrnik's Bank to New York for the \$150,000 Fifth Avenue Division of the New York Stallion Stakes Series on December 20th, and she finished second by a neck to Frosty Margarita as the 1-5 favorite in a field of five.

Kazamias sees his filly's success as part of the upswing in New York racing the past several years since Aqueduct opened its racino. "The casinos finally got in and everybody's doing great," he said.

Chris Bernhard of Hidden Lake Farm in Otisville near Middletown sure is. "There are a lot of Kentucky horsemen interested in New York-breds," he said.

In 2015, for the third consecutive year, Hidden Lake had the sales-topping weanling sold at the Saratoga Fasig-Tipton Fall Sale. He did it "with Kentucky-sired weanlings." The sales hat trick began in 2013, when he and co-consigner Rhapsody Farm sold a weanling by Pioneer of the Nile out of Pulpit's Treasure by Pulpit for \$82,000 to Brendan Gallagher. Then, in 2014, a weanling by Shackleford out of Spanish Post by Flatter, also co-consigned with Rhapsody Farm, brought \$150,000 from Palermo Farm at the fall sale.

The three-peat was completed this year with the sale of a weanling by Shanghai Bobby out of the Cure the Blues mare Electric Shock for \$140,000 to Hunter Valley Farm. Additionally, Hidden Lake sold a Justin Philip weanling for \$100,000 and one by Uncle Mo for \$75,000. "We had three of the five highest this year," Bernhard said in December. "For Shanghai Bobby, the stud fee was \$20,000. I bought the mare in foal to Uncle Mo for \$25,000. The Justin Philip, I bred that mare for \$8,000."

Bernhard, a native of Riverhead near the top of Long Island, studied Thoroughbred management at the State University of New York at Cobleskill. After briefly experimenting as an exercise rider, he landed a job working for Lou Salerno at Questroyal Farm. "I was his protégé," Bernhard said. "When he decided to get more involved in the art business, I took a lease on his farm. When he got out, I started Hidden Lake 12 years ago. It was scary as hell, going from getting a paycheck every week."

He named his farm because there is a man-made lake on the property, one he had trouble viewing. "The grass was so high, that standing up in the tractor, I couldn't see it," he explained.

Hidden Lake, which now has 600 acres and 160 stalls on its initial property and two additional properties nearby that it leases, has prospered. "When the market went in the other direction, I had the approach of 'Go for it or go broke,'" he said. "We kept breeding. We took some shots. It paid off. When the market started softening a little bit, we were forced to take in foals. The awards program was always so strong. It's been good. Behind Joe McMahan, we're probably the second largest operation in the state."

Like Hidden Lake, McMahon of Saratoga Thoroughbreds persisted when the market went south. "There were a lot of people who left the business then," McMahon said. "It was a person's other businesses that caused them to leave horses. I would say 50 percent of them haven't gotten back into the horse business."

McMahon never left and in 2015 McMahon of Saratoga Thoroughbreds delivered 115 babies, including 47 from its 70 mares. The stallion roster of five includes the promising Here Comes Ben. "Everything is good," McMahon said. "Horses are winning all over. The number of foals getting born is going up. It's bucking the national trend. It started with the crash. New York was the first state to have shown an upswing. It started to go the other way. We're doing fine."

Even so, McMahon has seen changes in the game. "The business has been changing pretty significantly the last 10 years," he said. "I think the new generation has taken over instant gratification. People have gone from owning a mare and having a foal compared to buying two-year-olds. We started doing it five years ago. People want to get horses that are closer to getting to the races. There's a big demand for horses that work good and look good in the two-year-old sales. A lot of people have left the breeding business in favor of that. It's been a learning curve for me. We barely dabbled in it. With more horses, you have to have more outlets."

Thomas has been more than dabbling with two-year-olds for a long time. "I sold two-year-olds before I ever had mares," she said. "I've been a pinhooker my entire career, beginning in the '80s. I've done it for a long time. I look at the New York program in various phases. If I have New York-sired, New York-bred horses, I wouldn't sell them as babies. I want to sell them as two-year-olds. Not all of them. I have to get them in front of a yearling audience. We have a very different outlook because I'm a pinhooker and I train two-year-olds."

She is happy to be doing that in New York. So are many of her contemporaries. "It seems the way to go," Kazamias said. "We're sticking in New York. We're sticking where the money is."