

NY THOROUGHBRED BREEDING AND DEVELOPMENT FUND 2023 PERFORMANCE MEASURES REPORT

NAME OF PUBLIC AUTHORITY

New York Thoroughbred Breeding and Development Fund Corporation

PUBLIC AUTHORITY'S MISSION STATEMENT

To promote by monetary incentives the responsible breeding of quality Thoroughbred racehorses in keeping with the founding legislation to preserve New York's irreplaceable farmland.

PERFORMANCE GOALS

1. Promotion of Responsible Breeding

Increase the number and quality of foals

2023 Action: The 2023 foal crop of 1,446 was down slightly from 2022 but remains over 18% higher than the decade's low mark of 1,225 foals in 2011. During 2023, 97 new mares arrived in the state, including 39 that had been purchased at public auction for \$50,000 or more. A rule change was implemented by the Fund in late 2020 that allowed non-resident mares purchased at public auction for \$50,000 or more to enter the state to foal and then leave to be covered by an out-of-state stallion, provided that they return to the state within 120 days and have a second New York foal. Both foals are then eligible to be registered as NY-breds and earn breeder and owner awards. The positive effects of this rule change continued to be felt in 2023.

Promote NY-breds at auction to confirm they are gaining in public acceptance as quality Thoroughbreds.

2023 Action: Auction revenue for NY-bred weanlings, yearlings and two-year-olds has increased more than 3.6-fold over the past 13 years, from \$16.4 million in 2010 to \$59.0 million in 2023. Also in 2023, NY-bred participation in public auctions in North America hit an all-time high (1010 individuals). The numbers confirm the continued growth and expansion of the New York-bred bloodstock market and demonstrate why, according to Fasig-Tipton President and Chief Executive Officer Boyd Browning, "The New York-bred racing and breeding program continues to be the best in the United States."

Ensure that the Registry Compliance Team visits all NYS Thoroughbred breeding farms to collect data pertinent to our state-bred registry.

2023 Action: Our field inspectors visited all 265 farms in the state twice during the year.

Promote the responsible breeding of Thoroughbreds.

2023 Action: Field inspectors look at horses and facilities during their inspection visits and did not report any horses or facilities to be in poor circumstances.

Demonstrate the Fund's support for ex-Thoroughbred racehorses.

2023 Action: Based on the understanding that many potential horse racing fans perceive that Thoroughbreds are not valued once their track careers are behind them, and that such a perception is an impediment to ownership, breeding and fan-base growth, the Fund made promotional spends with multiple aftercare organizations.

We promoted events and facilities in NYS that have been approved by the TAA/Thoroughbred Aftercare Alliance: ACTT Naturally, Akindale Thoroughbred Rescue, Finger Lakes Thoroughbred Adoption Program, Lucky Orphans Horse Rescue, Old Friends at Cabin Creek, ReRun Thoroughbred Adoption, New Vocations Racehorse Adoption/North Country Horses, Second Chance Thoroughbreds, Therapeutic Horses of Saratoga, Thoroughbred Retirement Foundation, Unbridled Thoroughbred Foundation and Equine Rescue Resource.

While neither Unbridled Thoroughbred Foundation and Equine Rescue Resource is a TAA approved entity, both groups demonstrated support for NY-bred ex-racehorses in 2023

The Fund posts success stories concerning off-track Thoroughbreds (OTTBs), and uses the Fund website (NYBreds.com) to communicate the importance of finding second careers for them. The website also hosts free web ads for the nationally acclaimed Finger Lakes Thoroughbred Adoption Program and Old Friends at Cabin Creek.

Provide monetary incentives to promote responsible breeding.

2023 Action: The Fund paid its award earners over \$16 million in breeder, owner and stallion owner awards in 2023, a 7% increase from the 2022 figure.

The Fund supplied \$2,060,686 in purse enrichment to NYRA and Finger Lakes Gaming and Racetrack in 2023, a decrease of .4% compared to the figure for 2022.

Promote the preservation of farmland.

2023 Action: The Fund supports the American Farmland Trust by distributing their brochures at interested farms. The pamphlets provide information on topics such as selling development rights in order to preserve farmland.

Ensure that all prospective NY-bred horses satisfy all requirements for registration, as well as applicable equine-health-related statutory or regulatory requirements.

2023 Action: Oversight by the Executive Director and Registrar of the registry process ensured that these requirements were satisfied for all horses included in the Fund's registry.

Improve the registration process.

2023 Action: We continued to make enhancements to our registration system and website in order to improve our ability to provide status updates on pending registrations. Improvements made in 2023 included the addition of the availability of the use of electronic signatures for our clients in the foal registration process. In addition, new measures were implemented to prevent any discrepancies between our records and the those of The Jockey Club in terms of in the breeders of registered New York-breds.

2. Equine Research

Provide 2% of revenue to the Zweig Fund at Cornell University.

The Fund is required by statute to contribute 2% of its annual revenue to the Harry M. Zweig Memorial Fund for Equine Research.

2023 Action: The amount contributed to the Zweig Fund for 2023 is \$418,861.

3. Communication with Stakeholders

Keep stakeholders informed of industry trends, potential changes in purse enrichment, the awards program, and the accomplishments of NY-breds.

2023 Action: Communication pathways established in previous years were maintained: email blasts, messages from the Executive Director to shareholders included with award checks, relevant stories posted on the Fund website www.NYBreds.com and shared in Facebook posts and on Twitter.

4. Promotion of Quality Thoroughbred Racehorses

- Awards Program: Distribute performance-based awards to Thoroughbred breeders, stallion owners, and racehorse owners.
- With assistance from the Jockey Club, maintain the Fund's award system to ensure the accuracy and integrity of award calculations.
- Use advertising and articles to enhance demand for NY-bred racehorses by highlighting their on-track performance and the increased profit potential that comes with owning and racing NY-breds, and by informing those in the horse industry about the solid sales performance of NY-breds at auction.

5. Efficient Administration of the Fund

- Efficiently and effectively administer the Fund within statutory cost ceilings.
- Streamline operations consistent with an adequate system of internal controls through periodic review and revision of processes and staffing.
- Ensure compliance with all regulatory filing and reporting requirements of NYS control agencies.

2023 Action: In 2023 the Fund remained within the statutory caps for administrative and promotional spending set by the State.

6. New York State Equine Economic Impact Study

- According to the New York State Equine Economic Impact Study (a 'breakout study' from the American Horse Council National study), the New York equine industry contributes \$7 billion to the state's economy and has a total employment impact of 52,319 jobs. These figures document growth in both economic and employment impact since the prior study conducted in 2016 (\$5.3 billion and 42,400 jobs). The economic impact figures land New York in the top 10 states for equine economic impact and reinforce the importance of the New York equine industry as a significant contributor to the overall economy of the state.