



The Blood-Horse

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MarketWatch

Information and analysis for the Thoroughbred investor

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2008 Stud Fees

By Matthew O'Neil

CHANGING OF THE GUARD

Stud fees are the most significant cost in the production of the Thoroughbred. Fortunately for North American breeders, they will be paying slightly less, on average, for those fees in 2008.

At the very top of the pyramid—stallions with fees of \$100,000 and up—fees are down 2% due largely to the fact that **Storm Cat's** reign as the most expensive stallion on the continent has ended. The soon-to-be 25-year-old Overbrook Farm stalwart has stood for \$500,000 for most of this decade but will take a 40% drop to \$300,000 in 2008. All dynasties must end and there are a few plausible reasons Storm Cat's fee has been reduced. The market place at Keeneland this fall was only lukewarm for offspring by Storm Cat. His yearlings averaged 57% less than in 2006 (\$544,039 vs. \$1,255,400 in '06), possibly due to over saturation of his influence in many top-end breeding programs. This year also looks like it will be Storm Cat's third consecutive season outside of the top 10 on the General Sires List. Indeed, Storm Cat won't even be ranked among the top 20 North American stallions by progeny earnings for the first time since 1991—his freshman year.

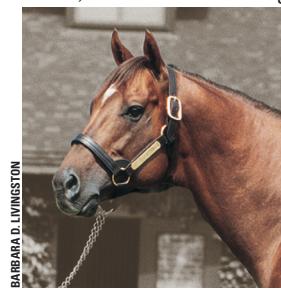
Overall, the average price of yearlings sired by \$100,000-plus stallions fell for the third consecutive year. In 2005, yearlings by top end sires averaged \$415,724, the following year they averaged \$380,685, while in 2007 their average fell another 15% to \$322,897.

Even stallions that have had all around good years in 2007 have seen their fees rolled back. Two grade I winners on a single Belmont Park card over the summer and a Keeneland September sales topper weren't enough to keep **Unbridled's Song's** fee from succumbing to market pressures. After standing for a career-high fee of \$200,000 in 2007, he'll return to his 2006 fee of \$150,000.

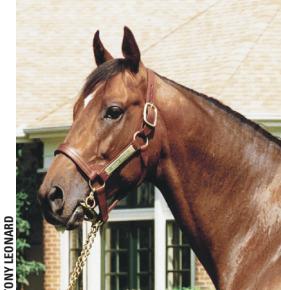
Kingmambo and **Giant's Causeway** both stood the 2006 season for \$300,000 before going private in



Street Cry (IRE)



Distorted Humor



Smart Strike

2007. Kingmambo's 2008 fee of \$250,000 decreases 17% from his last announced fee (\$300,000), even with three grade/group I winners in 2007. Giant's Causeway is among the top five on the General Sires List, but will stand the 2008 season for \$125,000, 58% less than his last advertised fee of \$300,000 just two years ago.

Four other proven stallions (two or more crops to race) that stood for six figures in '07 also had their fees lowered for 2008:

Forestry, who takes a 20% cut from \$125,000 to \$100,000, along with **El Prado (IRE)**, **Elusive Quality**, and **Gone West**, who all fell out of the six-figure club. El Prado, priced at \$125,000 in 2007, will

stand for 40% less, or \$75,000, in 2008. Even with Breeders' Cup Filly and Mare Sprint winner Maryfield to his credit, it wasn't enough to keep Elusive Quality's fee from dropping 25% to \$75,000 from \$100,000. The soon-to-be 24-year-old Gone West will stand for 32% less in 2008, dropping from \$125,000 to \$85,000.

A. P. Indy commanded the second-highest fee below Storm Cat this decade at \$300,000, but the two leaders now have company at the top. The Forty Niner stallion **Distorted Humor** earned another bump in fee to the \$300,000 level for 2008 after standing the 2007 season for \$225,000 (+33%). He had already joined Storm Cat and A. P. Indy last year as the only U.S. stallions with at least 20 stakes winners in a single season, a feat he may yet accomplish again this year.

Smart Strike and **Street Cry (IRE)** are two more of the big gainers among the upper echelon stallions and both will be standing for six figures for the first time in 2008.

Three grade I winners on one day in late September, and a pair of Breeders' Cup winners and likely Eclipse champions in English Channel and Curlin, are among the accomplishments on Smart Strike's 2007 resume. Smart Strike shattered the

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(Continued from page 1) record for a North American stallion with more than \$14 million in progeny earnings this year. Consequently, breeders will be paying \$150,000—double his 2007 fee—to send mares his way in 2008.

With a Kentucky Derby (gr. I) winner from his first crop and a slew of group/graded stakes winners all around the globe, Street Cry is off to a flying start as a stallion. His stud fee also will double from \$50,000 to \$100,000 for 2008.

Mr. Greeley will test the waters as a six-figure stallion for the first time in his stallion career. The sire of a pair group I winners in Europe (including dual classic winner Finsceal Beo (IRE)) will get a 67% raise from \$75,000 to \$125,000.

Movement In the Upper Ranges

Like their higher-priced contemporaries, the average yearling price for stallions standing in the \$50,000-\$99,999 range fell in 2007, although by only 5%. The average stud fee in this range, however, fell by 12%. This decrease is due almost entirely to the declines in fees posted by the former six-figure stallions El Prado, Elusive Quality, and Gone West. Looking only at the stallions that began 2007 in this range, their fees have largely held steady. The group did lose one member from 2007, **Fusaichi Pegasus**, who will stand for \$45,000 (-40%) in 2008 after being offered for \$75,000 in 2007. All the other proven stallions in this range will stand for the same fee as in 2007, with **More Than Ready** and **Indian Charlie** graduating to this fee range for 2008.

Indian Charlie stood the 2006 season for \$25,000 and last year

as private, but will be a \$50,000 stallion in 2008 thanks to another typically consistent year with nine 2007 stakes winners for the son of In Excess (IRE). The unbeaten juvenile filly Indian Blessing, very likely Indian Charlie's second Eclipse winner in two years (after Fleet Indian), certainly didn't hurt his case for a higher stud fee, nor did a 36% increase in yearling average over 2006 (\$93,907 vs. \$69,134). Indian Blessing scored a win in the Breeders' Cup Juvenile Fillies (gr. I) at Monmouth Park, as well as an earlier grade I victory in the Frizette Stakes at Belmont.

Like Indian Charlie, the fourth-crop stallion **More Than Ready** is as steady as they come with double-digit stakes winners for the second straight season. Although he is still looking for his first mainland U.S. grade I winner, **More Than Ready**'s yearling average increased 34% (from \$83,141 in 2006 to \$111,161) in the past year, thanks in part to runners like Ready's Image. The 2-year-old colt won the Sanford Stakes (gr. II) at Saratoga earlier this year, as well as the listed Tremont Stakes. Out of the Clever Trick mare Clever Phrase, Ready's Image has placed in two other graded stakes this year, including the grade I Hopeful Stakes.

More Than Ready will stand for \$60,000 in 2008, up from \$40,000 (+50%) in 2007.

Overall, Fees Fall For Most

2008 will mark the second year in a row that overall stud fees are down for all stallions (-0.2%), yet the fourth consecutive year that overall fees rose for unproven stallions (those with less than two crops to race). However, the 3.4% increase in unproven stal-

2008 Fees: Breeding and Sales Norms

Category	No. Sires**	2008 Fee		% Change	Avg. MB 2006	Avg. '07 Fls. (% Live Fl.)	Avg. MB 2007	Wnlg. Avg. (No. Sold)	Yrlg. Avg. (No. Sold)	Yrlg. XSF*	2yo Avg. (No. Sold)	Covering Sire Avg. (No. Sold)
		2008 Fee	2007 Fee									
\$100,000+	13	\$178,846	\$183,333	-2%	117	91 (78%)	114	\$249,800 (50)	\$322,897 (507)	1.76	\$233,655 (87)	\$678,621 (116)
\$50,000-\$99,999	10	\$65,000	\$73,500	-12%	109	87 (79%)	100	\$124,829 (82)	\$147,808 (406)	2.01	\$151,766 (96)	\$232,602 (83)
\$25,000-\$49,999	25	\$33,100	\$32,300	2%	114	84 (74%)	119	\$72,674 (199)	\$88,771 (982)	2.68	\$127,346 (346)	\$104,039 (255)
\$15,000-\$24,999	22	\$17,307	\$20,351	-15%	90	64 (72%)	92	\$30,498 (99)	\$40,885 (598)	2.36	\$84,847 (149)	\$50,756 (181)
\$10,000-\$14,999	21	\$10,714	\$12,619	-15%	86	60 (70%)	80	\$15,484 (83)	\$29,942 (532)	2.79	\$53,984 (225)	\$17,063 (140)
\$5,000-\$9,999	80	\$6,042	\$6,491	-7%	55	36 (66%)	48	\$8,923 (94)	\$16,284 (1004)	2.70	\$39,371 (445)	\$10,826 (139)
\$2,500-\$4,999	102	\$3,164	\$3,350	6%	39	22 (57%)	34	\$4,836 (37)	\$9,551 (531)	3.02	\$23,824 (240)	\$3,174 (79)
UNPROVEN Stallions												
First Fls. of 2005	72	\$9,733	\$9,275	5%	60	40 (67%)	58	\$36,575 (244)	\$47,713 (1147)	4.90	\$76,627 (552)	\$67,422 (293)
First Fls. of 2006	98	\$7,869	\$8,239	-4%	61	40 (65%)	53	\$33,620 (296)	\$49,919 (2004)	6.34		\$35,130 (311)
First Fls. of 2007	78	\$10,094	\$10,306	-2%	74	51 (70%)	63	\$48,541 (390)				\$60,081 (346)
First Fls. of 2008	73	\$10,525	\$10,902	-3%			71					\$99,279 (426)
First Fls. of 2009	62	\$12,349										
Unproven Stallions	383	\$9,904	\$9,579	3.4%								
All Sires	656	\$13,714	\$13,747	-0.2%								

*Yrlg XSF is the average yearling price divided by the average 2007 stud fee. **Sires with a minimum fee of \$2,500 in 2008. Sales data through Nov. 27, 2007. Racing data through Nov. 8, 2007.

2008 Fees: Racing Norms

Stud Fee Range	Foals	Rnrs (% Fls)	Wnrs (% Fls)	2yo Wnrs (% Fls)	3yo Wnrs (% Fls)	4yo+ Wnrs (% Fls)	SW (% Fls)	GSW (% Fls)	GISW (% Fls)	Turf Wnrs (% Turf Rnrs)
\$100,000+	8,425	6,336 (75%)	4,325 (51%)	1,296 (15%)	2,933 (35%)	2,195 (26%)	784 (9.3%)	420 (5%)	153 (1.8%)	1,055 (34%)
\$50,000-\$99,999	6,151	4,660 (76%)	3,261 (53%)	1,045 (17%)	2,200 (36%)	1,690 (27%)	492 (8.0%)	207 (3.4%)	56 (0.9%)	728 (31%)
\$25,000-\$49,999	11,626	8,652 (74%)	5,891 (51%)	1,879 (16%)	3,965 (34%)	2,802 (24%)	760 (6.5%)	287 (2.5%)	86 (0.7%)	1,227 (29%)
\$15,000-\$24,999	9,172	6,983 (76%)	4,627 (50%)	1,473 (16%)	3,129 (34%)	2,384 (26%)	516 (5.6%)	178 (1.9%)	44 (0.5%)	867 (28%)
\$10,000-\$14,999	8,308	6,034 (73%)	4,242 (51%)	1,405 (17%)	2,852 (34%)	2,102 (25%)	444 (5.3%)	108 (1.3%)	35 (0.4%)	754 (26%)
\$5,000-\$9,999	25,089	18,034 (72%)	12,332 (49%)	3,890 (16%)	8,400 (33%)	6,299 (25%)	991 (3.9%)	257 (1.0%)	80 (0.3%)	1,668 (22%)
\$2,500-\$4,999	20,336	14,425 (71%)	10,020 (49%)	3,123 (15%)	7,022 (35%)	5,213 (26%)	757 (3.7%)	134 (0.7%)	44 (0.2%)	1,172 (22%)
All Sires	89,107	65,124 (73%)	44,698 (50%)	14,111 (16%)	30,501 (34%)	22,685 (25%)	4,744 (5.3%)	1,591 (1.8%)	498 (0.6%)	7,471 (26%)

lion fees is the second smallest since 2004. Stallions with successful first crops to race tend to see increases in their stud fees and that is the case again for 2008. However, fees for the top 2007 first-crop sires (first foals of 2005) will see their smallest cumulative stud fee increase in recent years of 5%.

Last year **Johannesburg** set a new record with seven first-crop juvenile stakes winners and his stud fee increased 140% from \$25,000 to \$60,000. **Posse**, the 2007 freshman leader who has matched **Johannesburg** with seven stakes winners, will be getting a similar percentage raise, up 140% from \$12,500 to \$30,000.

Standouts among **Posse**'s runners this year include multiple graded stakes winner **Kodiak Kowboy**, victorious in the Saratoga Special Stakes (gr. II), **Lantana Mob**, winner of the Sapling Stakes (gr. III) at Monmouth Park, and **Law Enforcement**, who won the Aspirant Stakes.

The biggest gainer among the 2007 freshmen is the Coolmore-based **Van Nistelrooy**. The Storm Cat stallion was the first member of his crop to sire a grade I winner when **Set Play** won the Del Mar Debutante Stakes Sept.

3. The filly is one of his five stakes winners and three graded winners. His first four crops were bred at the \$7,500 level, but breeders will have to pay 233% more (\$25,000) for his services in 2008.

Harlan's Holiday, **Proud Citizen**, and **Macho Uno** are the other stallions with large increases in stud fees among the 2007 freshmen sires. **Mineshaft** is the first freshman sire to have his stud fee significantly reduced. The son of A. P. Indy didn't figure to keep pace with some of his more precocious peers in the freshmen sire standings. **Mineshaft** should see improvements with his first crop of 3-year-olds next year when they've had more opportunities at longer distances. He'll stand for \$75,000 in 2008, down 25% from \$100,000.

New Stallions Excel

One sector of the stud fee market that seems immune to decline is that of the new stallions retiring from the track. While 2008 will mark the first year since 2003 that the highest-priced new stallion will stand for less than \$100,000 (**Street Sense**, who will stand for \$75,000), the average stud fee for this year's retirees is 3% higher than last year. Overall, 26 stallions will enter stud in 2008 with a fee of \$10,000 or more, the third straight year 20-plus stallions with fees of \$10,000 or more have entered stud. The average stud fee for all entering sires in 2008 is \$12,349. One could argue that the increase in average first year fees over last year is

due to an exceptionally strong retiring class. However, it's also true that 2008 will mark at least the fifth consecutive year that average fees among first-year stallions have gone up. In fact, since 2002, the average fee for stallions entering stud (with fees of \$10,000 or more) has increased 56% (see chart below).

Sheikh Mohammed has assembled perhaps the most exciting roster of first year stallions to ever stand at a single farm. The courtyard at the Darley at Jonabell stallion complex can at any time be filled with three of the top sophomore colts, **Street Sense**, **Hard Spun**, and **Any Given Saturday**, from what was

widely regarded as one of the deepest crops in recent memory. They are not surprisingly three of the most expensive new stallions in North America.

Street Sense is the first stallion to retire with a trio of wins in the Bessemer Trust Breeders' Cup Juvenile (gr. I), Kentucky Derby Presented by Yum! Brands (gr. I), and Travers Stakes (gr. I) trophies on the mantle. He will stand alongside his sire **Street Cry** for a crop-high \$75,000.

King's Bishop (gr. I) winner **Hard Spun** will stand for \$50,000 in his first year. He was perhaps the most versatile colt of his class, running gallant seconds at 10 furlongs in both the Derby (to **Street Sense**) and Breeders' Cup Classic Powered by Dodge (gr. I) (to **Curlin**), winning a grade I at 7 furlongs in between. He is also

a graded winner on both traditional and synthetic surfaces and is likely the last best hope for the Danzig male line to shine as brightly in North America as it does elsewhere in the world.

The last of the three to retire, **Any Given Saturday**, had his day in the sun at Monmouth Park over the summer where he defeated both **Hard Spun** and **Curlin** in the Haskell Invitational (gr. I). He will stand for \$40,000 in 2008.

Darley didn't get all the top prospects, however. Metropolitan Handicap (gr. I) and inaugural Breeders' Cup Dirt Mile winner **Corinthian** will stand his first season at Gainesway Farm for \$40,000.

Over saturation or not, six sons of **Storm Cat** will begin their stud careers in 2008, the most of any single sire, followed closely by A. P. Indy with five. Grade I winner **Purim** will be the first major son of **Dynaformer** to stand in Kentucky when he takes up residence at Richland Hills for a \$10,000 fee. It's also worth noting that breeders will have access to the first two major great-grandsons of **Storm Cat** in 2008, with a pair of sons from **Johannesburg**'s first crop retiring: the multiple grade I winner **Scat Daddy** (\$30,000) and the grade II winner **Teuflesberg** (\$10,000). ▀



Hard Spun



Street Sense



Mr. Greeley

First-Year Stallions, 2002-2008

Year	Top-priced Sire(s)	First Season Stud Fee	2008 Stud Fee	No. w/Fees \$50,000+	No. w/Fees \$20,000+	No. w/Fees \$10,000+	Avg. Fee
2008	Street Sense	\$75,000		2	11	26	\$12,341
2007	Bernardini	\$100,000	\$100,000	2	10	21	\$11,998
2006	Ghostzapper	\$200,000	\$150,000	3	9	22	\$11,387
2005	Smarty Jones	\$100,000	\$100,000	1	7	7	\$8,431
2004	Empire Maker	\$100,000	\$100,000	3	5	15	\$9,253
	Mineshaft	\$100,000	\$75,000				
2003	Came Home	\$40,000	In Japan		5	12	\$7,347
2002	Point Given	\$125,000	\$15,000	1	6	17	\$7,915