



The Blood-Horse

MarketWatch

DECEMBER 19, 2008

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2009 Stud Fees

By Matt O'Neil

SIGN OF THE TIME\$

Given the state of the world economy and the drastic declines in the Thoroughbred commercial market this past fall, the question regarding 2009 stud fees was not if they would fall but by how much? And the truth is we still don't know.

Stallion managers began announcing stud fees in early November. While many stallions saw their fees lowered, fees for the top-end stallions remained largely flat, although there were indications that changes were on the way.

Any hopes of keeping the status quo at the upper echelon of the stallion market were quickly dashed. Despite his best commercial year ever, **Distorted Humor**'s fee was lowered (to \$225,000 from \$300,000) in early November. By the end of the month, his fee was slashed even further (to \$150,000) while a pair of 2008 six-figure stallions, **Forestry** and **Smarty Jones**, had their fees reduced for 2009. The fees were also lowered for **A.P. Indy** (\$300,000 to \$250,000), **Smart Strike** (\$150,000 to \$125,000), and **Unbridled's Song** (\$150,000 to \$125,000). Those three remain in the six-figure range, but **Mr. Greeley**, **Empire Maker**, and **Bernardini**, all of which commanded fees of \$100,000 or higher in 2008, did not. The latter trio were included in the second wave of fee adjustments and will each stand for \$75,000 in 2009.

And the cuts just keep coming. The charts for this study include data only through Dec. 5. But on Dec. 8, Adena Springs announced it was lowering the fees on 11 stallions (in both Florida and Kentucky), including dropping **Awesome Again** and **Ghostzapper** from \$150,000 to \$125,000.

Fees have declined across the board in all seven stud fee ranges tracked by *The Blood-Horse*

MarketWatch. Overall, fees in the highest range – \$100,000 and up – have fallen 12% from last year (not including **Awesome Again** and **Ghostzapper**). (See the chart on page 2.) The lone increase at the top end of the stallion market is **Street Cry**. With 2008 runners such as undefeated champion-elect **Zenyatta** and the additional grade I winners **Street Boss** and **Street Hero**, it's easy to see why America's leading third-crop sire will stand the 2009 season for \$150,000, up from \$125,000 a year ago.

There is a lot of trepidation behind the stud fee declines, among the high-end stallions especially.

However, some hard numbers support lowering prices on these stallions. Since 2005, the average price for yearlings by sires with six-figure stud fees has fallen 26%, from \$415,724 to \$306,274 in 2008.

For the second year in a row, no new sires are retiring with six-figure stud fees, and \$75,000 looks to be the ceiling for a newly retired stallion nowadays. That's the fee

Kentucky Derby Presented by Yum! Brands (gr. I) winner **Street Sense** commanded when he retired last year and Horse of the Year **Curlin** will begin his career with that fee this year.

Popularity of New Stallions Continues

Newly retired stallions continue to be the darlings of commercial breeders, however. Overall, the new 2009 stallions are entering their second careers with an average stud fee of \$11,983, down just slightly from the decade-high average of \$12,439 posted by last year's retirees.

Fees in the \$50,000-\$99,999 fee range were the most stable from last year, with only a 3% decline (from \$71,500 in 2007) (*Continued on page 2*)



Curlin

Since 2005, the average price for yearlings by sires with six-figure stud fees has fallen 26%.

(Continued from page 1) to \$69,500). Commercial demand may have something to do with this group of stallions holding steady, even in difficult times. The average price for a yearling by all sires in this fee range was \$178,361 in 2008, up 21% from 2007.

Indian Charlie was one of the biggest gainers in this range by stud fee increase. After siring an Eclipse winner in 2006 (Fleet Indian) and in 2007 (Indian Blessing), Indian Charlie has stayed hot with 14 stakes winners to his credit in 2008. He'll stand for \$75,000 in 2009, up from \$50,000 in 2008.

The figures for the three stud fee levels directly below \$50,000-\$99,999 suffered the greatest declines. Even though the average yearling price for stallions in the \$25,000-\$49,999 range fell only 4% in 2008, stud fees have plummeted by 20%. **Lemon Drop Kid**, **Tiznow**, and **Proud Citizen** are the only stallions that stood in this range last year that will stand for a higher fee in 2009, while the first two stallions mentioned (Lemon Drop Kid and Tiznow) are exceptional among this group in that they will actually be moving into a higher fee range for 2009.

After Lemon Drop Kid failed to live up to his lofty early



COURTESY ANDRIE STUD

Indian Charlie

expectations, his price fell from \$100,000 in his first year at stud to as low as \$20,000 in 2007. However, with a top-10 finish on the General Sires list in 2007 and 21 stakes winners in 2008, the son of **Kingmambo** will stand for \$50,000 in 2009, up 43% from his 2008 fee of \$35,000. Tiznow's price

had been initially announced at \$75,000 for 2009, up 150% from his 2008 fee of \$30,000. When the late November cuts were announced, his fee remained intact. He is just wrapping up his finest season at stud with a third-place ranking on the General Sires list and four grade I winners to his credit, including the Santa Anita Derby, Belmont Stakes, and Travers Stakes (all gr. I) winners.

Holding on to a 2008 stud fee can be considered a victory among this group. Among those that can claim the distinction are **Stormy Atlantic** (\$45,000), **Malibu Moon** (\$40,000), **Medaglia d'Oro** (\$40,000), **Sky Mesa** (\$30,000), **Broken Vow** (\$30,000), **Exchange Rate** (\$25,000), **Arch** (\$25,000), and **English Channel** (\$25,000).

Fees for stallions in the \$15,000-\$24,999 range show the most drastic decline: 27%. The loss comes despite a cumulative yearling average that actually rose 21% in 2008

2009 Fees: Breeding and Sales Norms

Category	No. Sires	2009 Fee	2008 Fee	% Chg.	Avg. MB 2007	Avg. 08 Fls. (% Live Fl.)	Avg. MB 2008	Wnlg. Avg. (No. Sold)	Yrlg. Avg. (No. Sold)	Yrlg. XSF*	2yo Avg. (No. Sold)	Covering Sire Avg. (No. Sold)
\$100,000+	9	\$163,889	\$186,111	-12%	121	94 (78%)	119	\$189,775 (40)	\$306,274 (290)	1.65	\$250,043 (47)	\$763,140 (43)
\$50,000-\$99,999	10	\$69,500	\$71,500	-3%	114	87 (77%)	117	\$114,921 (63)	\$178,361 (345)	2.49	\$165,700 (52)	\$279,000 (70)
\$25,000-\$49,999	22	\$31,477	\$39,432	-20%	122	91 (74%)	110	\$54,757 (184)	\$84,927 (943)	2.15	\$130,229 (246)	\$109,774 (186)
\$15,000-\$24,999	20	\$17,500	\$24,125	-27%	106	76 (72%)	103	\$28,574 (104)	\$49,475 (640)	2.05	\$89,266 (180)	\$44,863 (134)
\$10,000-\$14,999	18	\$10,833	\$13,611	-20%	81	57 (70%)	74	\$13,900 (34)	\$28,542 (225)	2.10	\$69,214 (92)	\$17,139 (70)
\$5,000-\$9,999	84	\$6,018	\$6,720	-10%	58	38 (66%)	52	\$5,300 (114)	\$16,840 (1121)	2.51	\$37,469 (444)	\$10,604 (161)
\$2,500-\$4,999	125	\$3,106	\$3,428	-9%	38	23 (61%)	34	\$4,140 (40)	\$7,821 (640)	2.28	\$18,731 (350)	\$3,913 (55)
Unproven Stallions												
First Foals of 2006	92	\$6,495	\$7,076	-8%	55	35 (64%)	47	\$35,662 (165)	\$33,986 (1237)	4.80	\$85,653 (606)	\$25,930 (238)
First Foals of 2007	85	\$8,047	\$9,535	-16%	62	41 (67%)	46	\$21,850 (200)	\$46,834 (1493)	4.91		\$29,748 (235)
First Foals of 2008	82	\$9,348	\$7,950	-15%	63	43 (67%)	53	\$50,681 (277)				\$41,610 (289)
First Foals of 2009	86	\$8,890	\$10,494	-15%			66					\$58,594 (350)
First Foals of 2010	59	\$11,983										
Unproven Stallions	404	\$8,428	\$9,074	-7.1%								
All Sires	692	\$11,136	\$12,810	-13.1%								

*Yrlg. XSF is the average yearling price divided by the average 2008 stud fee. Sires by *fee range* have a 2009 fee of at least \$2,500 and bred 15 or more mares in 2008; sires with first foals of 2006 - 2010 have a minimum 2009 fee of \$2,500. Auction and racing data through Nov. 25, 2008.

2009 Fees: Racing Norms

Category	Foals	Rnrs (% Fls.)	Wnrs (% Fls.)	2yo Wnrs (% Fls.)	3yo Wnrs (% Fls.)	4yo+ Wnrs (% Fls.)	SW (% Fls.)	GSW (% Fls.)	GISW (% Fls.)	Turf Wnrs (% Trf Rnrs)
\$100,000+	6,058	4,604 (76%)	3,088 (51%)	836 (14%)	2,109 (35%)	1,624 (27%)	549 (9.1%)	288 (4.8%)	111 (1.8%)	900 (37%)
\$50,000-\$99,999	6,179	4,691 (76%)	3,207 (52%)	954 (15%)	2,187 (35%)	1,676 (27%)	458 (7.4%)	206 (3.3%)	65 (1.1%)	781 (32%)
\$25,000-\$49,999	9,560	7,141 (75%)	4,791 (50%)	1,632 (17%)	3,203 (34%)	2,031 (21%)	573 (6%)	228 (2.4%)	61 (0.6%)	995 (30%)
\$15,000-\$24,999	8,429	6,585 (78%)	4,378 (52%)	1,432 (17%)	2,999 (36%)	2,158 (26%)	490 (5.8%)	160 (1.9%)	39 (0.5%)	779 (25%)
\$10,000-\$14,999	7,687	5,909 (77%)	4,256 (55%)	1,256 (16%)	2,866 (37%)	2,341 (30%)	452 (5.9%)	122 (1.6%)	46 (0.6%)	850 (27%)
\$5,000-\$9,999	26,559	19,929 (75%)	14,058 (53%)	4,277 (16%)	9,704 (37%)	7,400 (28%)	1,154 (4.3%)	278 (1%)	86 (0.3%)	1,890 (22%)
\$2,500-\$4,999	23,573	17,117 (73%)	11,696 (50%)	3,626 (15%)	8,170 (35%)	5,881 (25%)	864 (3.7%)	152 (0.6%)	43 (0.2%)	1,421 (22%)
All Sires	88,045	65,976 (75%)	45,474 (52%)	14,013 (16%)	31,238 (35%)	23,111 (26%)	4,540 (5.2%)	1,434 (1.6%)	451 (0.5%)	7,616 (26%)

(from \$40,885 in 2007 to \$49,475). There are at least 12 unproven stallions (stallions with first crops no older than 2) in this range, and a great majority of them saw their fees lowered, with many of those being marked down at least 25%. The only two stallions with fee increases in this range are **Bernstein**

and Macho Uno.

Bernstein has been a force in the Southern Hemisphere and had a big fall in North America. He is the sire of 11 stakes winners and three graded stakes-winning juveniles,

including grade I winner and Bessemer Trust Breeders' Cup Juvenile Fillies (gr. I) second Dream Empress. Bernstein will stand the 2009 season for \$27,500, up from \$20,000.

After siring a grade I winner and ranking fifth among first-crop sires in 2007, Macho Uno followed up with a strong 2008. Among his four stakes winners this year are Canadian Classic winner Harlem Rocker and Jim Dandy (gr.

II) winner Macho Again. Macho Uno stood the 2008 season for \$20,000 and will stand for \$25,000 in 2009 (after initially being announced at \$30,000).

Overall, stallion fees in the \$10,000-\$14,999 range dropped 20% for 2009.

Only one Kentucky stallion that stood the 2008 season in the \$10,000-\$14,999 range will stand for a higher fee in 2009, first-crop sire **Tapit**. The Pulpit stallion has a genuine first-crop super-

star in Breeders' Cup Juvenile Fillies winner Stardom Bound. She helped her sire amass more than \$2.4 million in first-crop juvenile earnings, eclipsing the previous record set by Danzig in 1984 (\$2,141,658). Tapit will stand for \$35,000 in 2008 after standing his fourth year at \$12,500.

Fees in the \$5,000-\$9,999 grouping fell by 10%, and fees for stallions in the \$2,500-\$4,999 range decreased by 9%. **M**

Pages 3 through 12 show 2009 fees grouped by the year a stallion entered stud. Sires with at least two foal crops to race are separated by stud fee range on pages 14 to 23. Abbreviations in the tables include MB (Mares Bred), XSF (ratio of yearling average to 2008 stud fee), Level Won (highest class of race a stallion or dam of stallion won), Unr means unraced, Min. WD and Max. WD (a sire's minimum and maximum winning distance in furlongs), 08 CI (Comparable Index for 2008 foals), 08 MB CI (Comparable Index for mares bred in 2008), and AWD (progeny average winning distance in furlongs). Comparable Index measures the average earnings of progeny produced from mares bred to a sire, when these same mares were bred to other sires. In other words, CI indicates the producing quality of mares bred to a stallion. Sale statistics cover all public auctions from Jan. 1, 2008, through Nov. 25, 2008. All racing statistics are through Nov. 25, 2008. The stallions with two crops to race have a minimum stud fee of \$2,500 for 2009 and were bred to a minimum of 15 mares in 2008. The percentages of 3yo Wnrs and 4yo+ Wnrs (4-year-old and up winners) count only named foals that are at least 3- and 4-year-olds, respectively. *Fees as of Dec. 5, 2008.

Entering Stallions of 2009 (First Foals to Race in 2012)

Sire/Location	Sire's Sire	Dam	Dam's Sire	Farm Standing	2009 Fee	Race Record	Earnings	Level Won	Min. WD	Max. WD	Dam's Level Won
Barbican/PA	A.P. Indy	Colour Chart	Mr. Prospector	Xanthus Farms, Inc.	\$3,000	16-4-1-2	\$126,255	Wnr	7.00	9.00	G2
Bedford Falls/CA	Forestry	Christmas in Aiken	Affirmed	Poplar Meadows	\$2,500	15-3-4-4	\$115,620	Wnr	6.00	8.00	Wnr
Belgravia/FL	Mr. Greeley	Peaks Mill	Stalwart	Hartley/De Renzo T'breds, LLC	\$5,000	5-2-1-0	\$127,115	G3	6.50	7.00	SW
Big Brown/KY	Boundary	Mien	Nureyev	Three Chimneys Farms	\$65,000	8-7-0-0	\$3,614,500	G1	8.00	10.00	Wnr
Big Picture/VA	Pioneering	Brush Back	Broad Brush	Virginia Equine Services, P.C.	\$5,000	5-2-0-1	\$53,455	Wnr	6.00	6.50	Wnr
Brother Derek/KY	Benchmark	Miss Soft Sell	Siyah Kalem	Airdrie Stud	\$10,000	17-6-2-3	\$1,611,138	G1	4.50	9.00	Unr
Bustin Stones/NY	City Zip	Shesasurething	Prospectors Gamble	Waldorf Farm	\$6,500	6-6-0-0	\$480,150	G1	6.00	7.00	Wnr
Capitano/PA	Belong to Me	Heavenly Cat	Tabasco Cat	Fox Tale Stud	\$2,500	36-7-9-4	\$576,894	SW	5.50	9.00	Unr
Cherokee/KY	Cherokee Run	Dixie Ghost	Silver Ghost	Vinery	\$7,500	10-5-1-2	\$385,785	G3	8.00	9.00	Wnr
Circular Quay/FL	Thunder Gulch	Circle of Life	Belong to Me	Journeyman Stud	\$12,500	13-5-2-0	\$1,505,434	G1	5.50	9.00	G1
Cougar Cat/KY	Storm Cat	Excellent Meeting	General Meeting	Richland Hills, Inc.	\$5,000	27-4-5-3	\$256,405	Wnr	5.00	7.00	G1
Council Member/CA	Seattle Slew	Zoe Montana	Seeking the Gold	Special T T'breds	\$4,000	24-5-5-1	\$347,306	SW	5.00	7.00	Unr
Cowtown Cat/FL	Distorted Humor	Tom's Cat	Storm Cat	Journeyman Stud	\$8,000	16-4-1-2	\$562,228	G2	5.50	9.00	Wnr
Curlin/KY	Smart Strike	Sherriff's Deputy	Deputy Minister	Lane's End	\$75,000	16-11-2-2	\$10,501,800	G1	7.00	10.00	Unr
Deputy Glitters/FL	Deputy Commander	Glitters	Glitterman	Journeyman Stud	\$2,500	17-3-1-0	\$426,695	G2	6.00	9.00	Wnr
Divine Park/KY	Chester House	High in the Park	Ascot Knight	Airdrie Stud	\$17,500	9-6-0-0	\$612,935	G1	6.00	8.32	Wnr
Dixie Mon/PA	Maria's Mon	Sea Jamie Win	Dixieland Band	Northern Tier Farm	\$2,500	5-1-1-2	\$64,248	Wnr	6.50	6.50	Wnr