

# Critical analysis essential to success



**Breeders should carry out an appraisal of the quality of stock they are producing and what their costs of production are, writes Teagasc equine specialist Wendy Conlon**

**A**T this time of the year, most breeders are weighing up stallion choices for the 2018 breeding season, if not already made, and looking forward to seeing new stock on the ground.

The outcome of the 2017 sales season should ignite reflection and influence future decisions with an honest appraisal of the quality of the stock previously produced by each individual mare.

If things didn't go so well, consider is this part of an on-going trend indicating that you are producing a product the market simply doesn't desire?

Perhaps additional marketing, production or different stallion choice or breeding goal could improve future progeny and return a higher dividend.

Don't continue to repeat the same mistakes and yet expect a different outcome!

In reflecting on the public auction



returns, it is important to bear in mind that the greater percentage of sport horse horses in Ireland are sold privately and the figures from public auction returns represent only about 25% (24.10% the 2016 figure in *Contribution of the Sport Horse Industry to the Irish Economy 2017*) of actual trade.

It is nonetheless useful to analyse public auction trade, and since the introduction of the select elite sales to the public auction forum, there is now a more accurate picture of the values attainable right across the spectrum.



Susan Finnerty



**Pictured at the 2017 Teagasc Equine Overseas Tour trip (l-r) Teagasc Equine Specialist Wendy Conlon, who previously worked at Stall Hell, with Magdalene Hell and Bernhard Porten**

## COSTS OF PRODUCTION

A key factor to bear in mind when reviewing sales returns is the cost of production as this ultimately determines profitability, or otherwise.

This figure can be highly variable between enterprises, animals, and breeding seasons.

Variant stud fees; the need to acquire professional assistance in sales preparation or not; perhaps even land, building or machinery rental fees or loans on same may impact some enterprises and not others but should be factored into the cost of production.

Mare depreciation, sales entry fees, commission and veterinary costs are also variable.

Whether a foal is produced using natural covering, artificial insemination, the nature of semen used, or embryo transfer can also have a significant bearing on costs involved.

However, bearing in mind what are considered as minimal husbandry interventions (feeding, bedding, farrier; veterinary; dosing) and assuming reasonable fertility, Teagasc estimate the cost of production for the foal for auction to be in the region of €1,800 – €1,900 (non-select versus select sales) – and that of



**Variant stud fees; the need to acquire professional assistance in sales preparation or not; perhaps even land, building or machinery rental fees or loans on same may impact some enterprises and not others but should be factored into the cost of production**

the three-year-old for auction to be in the region of €4,000-€4,600 (non-select versus select sales).

These figures do not include stud fee, sales commission, repayments/rental on fixed assets; mare depreciation, labour/professional fees.

Also, the veterinary fees included do not account for breeding with frozen semen or embryo transfer.

Barren years should be considered in the cost of production over the life of the mare as costs are still expended.



Susan Finnerty

**Stephen McIntyre meets Casall who retired from world class competition last summer. Cassall stands at the Holsteiner Verband's stallion station at Elmshorn**

## Cost of production of foal for public auction

|  | Non Select Foal Sale | Select Foal Sale |
|--|----------------------|------------------|
| Total Mare*(see table A57)               | €1,425               | €1,425           |
| Total Foal to Weaning* (see table below) | €306                 | €306             |
| Sale Entry fee                           | €75                  | €150             |
| Total Mare Plus Foal *                   | €1,806               | €1,881           |

\*Not including stud fee

## Cost of production of three-year-old for public auction

|   | Non Select Sale | Select Sale |
|---|-----------------|-------------|
| Cost of Mare producing a foal                       |                 |             |
| Not including stud fee                              | €1,425          | €1,425      |
| Cost of production weanling to 3 years              | €2,348          | €2,348      |
| 3 Year Old sale entry fee; vetting; X-rays (select) | €210            | €850        |
| Total Cost to Sale Time @ 3 Years *                 | €3,983          | €4,623      |

## Foal to three-year-old cost of production

| Average born in May/June period | Farrier     | Wormer      | Vaccination Flu/Tetanus | Hay         | Concentrate Feed (Balancer) | Straw       | I.D. / Registration Fees | Dentist    | Misc.       | Total         |
|---------------------------------|-------------|-------------|-------------------------|-------------|-----------------------------|-------------|--------------------------|------------|-------------|---------------|
| Foal to Weanling                | €81         | €13         | €35                     |             |                             |             | €102                     |            | €75         | €306          |
| Weanling                        | €54         | €33         | €35                     | €35         | €90                         | €125        |                          |            |             | €372          |
| Yearling                        | €135        | €53         | €35                     | €40         | €100                        | €125        |                          |            | €75         | €563          |
| 2 year old                      | €135        | €53         | €35                     | €40         | €100                        | €125        |                          |            | €75         | €563          |
| 3 year old                      |             |             |                         |             |                             |             |                          |            |             |               |
| (to Sep sale time)              | €152        | €43         | €35                     | €20         | €44                         | €50         |                          | €50        | €150        | €544          |
| <b>Total</b>                    | <b>€557</b> | <b>€195</b> | <b>€175</b>             | <b>€135</b> | <b>€334</b>                 | <b>€425</b> | <b>€102</b>              | <b>€50</b> | <b>€375</b> | <b>€2,348</b> |

\*Misc. = Miscellaneous including for example tack; grassland; travel



## A58 SPORT HORSE STALLIONS 2018

Laurence Dunne/Jumpinaction.net



This Kannan colt out of MHS Pembroke Lady by Guidam topped the Irish Breeders Classic Foal Sale at €17,000, bred by Joanne Fox and Finbar Mulligan of Kilmashogue Stud

## FOALS

The three-year-old market demonstrated a small €308 rise in the average return over 2016 prices with an almost identical average for the top 20%, and a €982 fall in the average of the select sales only.

Despite the absence of the Supreme Sale of Showjumpers from the 2017 sales calendar and the Brexit-weakened sterling rate, this age category showed some improvement in the middle market trade with the top end of the market

holding its own, providing decent margins.

The select sales are performing very well.

It is interesting to note that on an average basis, the three-year-olds are failing to out-perform the foals.

The top 20% of stock generally are returning a better margin for producers when all sales are appraised but when the select sales are isolated for comparison, the foals are still winning.

Figure 1

Trends in foal returns 2013-2017 analysing all foals sold at public auction

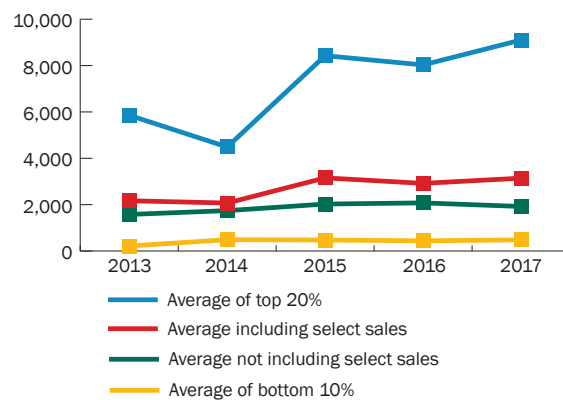
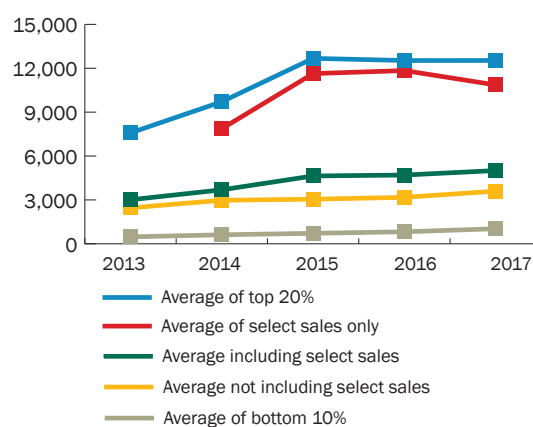


Figure 2

Trends in three year old returns 2013-2017 analysing all foals sold at public auction



## Foal Returns at Public Auction in 2017 &amp; Five Year Trends

| Foals            | Average | Top 20% | Bottom 10% |
|------------------|---------|---------|------------|
| 2009             | €1,389  | €3,432  | €207       |
| 2010             | €1,492  | €3,634  | €253       |
| 2011             | €1,532  | €3,589  | €194       |
| 2012             | €1,532  | €3,556  | €247       |
| 2013             | €2,169  | €5,856  | €215       |
| 2014             | €2,069  | €4,487  | €488       |
| 2015             | €3,154  | €8,427  | €475       |
| 2016             | €2,918  | €8,027  | €439       |
| 2017 (295 foals) | €3,143  | €9,102  | €481       |

## KEY QUESTIONS

Those breeders who attained average, below average, or no return for their products should consider their options now:

- Is the breeding goal (and choice of stallion) the correct one for the mare?
- If the mare has not already been inspected perhaps an independent viewpoint on her strengths and weaknesses can assist with decisions around breeding goals.
- Can production costs be reduced, without impacting welfare?
- Can improvement be made to presentation at the time of sale – i.e. body condition, general turnout; condition of feet; handling?
- Investment in professional production, or just getting some help, if the product has the required temperament, conformation and athleticism traits may need to be considered.
- Where the trend is repetitiously progeny that are at the bottom end of trade consider if it would be better not to breed the mare again? Perhaps she would be better utilised as a recipient mare in an embryo transfer programme, as a companion for youngstock or sold for non-breeding purposes.

## 2017 Foal and three-year-old profitability indication analysis

| Foals (295)   | Ave. not incl. Select Sales | Ave. incl. Select Sales    | Ave. of Select Sales    | Ave. of Top 20% not incl. Select Sales | Ave. of Top 20% incl. Select Sales    | Ave of Top 20% Select Sales only**   |
|---|-----------------------------|----------------------------|-------------------------|--|---------------------------------------|--------------------------------------|
| 2017  | €1,921                      | €3,143                     | €9,759                  | €4,340                                 | €9,102                                | €20,478                              |
| Minus Costs (not including stud fee)                  | - €1,800 + Stud Fee         | - €1,850 + Stud Fee        | - €1,900 + Stud Fee     | - €1,800 + Stud Fee                    | - €1,850 + Stud Fee                   | - €1,900 + Stud Fee                  |
| Profitability Indication                              | €121 (- Stud Fee*)          | €1,293 (- Stud Fee*)       | €7,856 (- Stud Fee*)    | €2,540 (- Stud Fee*)                   | €7,252 (- Stud Fee*)                  | €18,578 (- Stud fee*)                |
| Three year olds (495)                                 | Ave. not incl. select sales | Ave. incl. select sales*** | Ave. of select sales*** | Ave. of top 20% not incl. select sales | Ave. of top 20% incl. select sales*** | Ave. of top 20% select sales only*** |
| 2017  | €3,600                      | €5,008                     | €10,860                 | €7,754                                 | €12,531                               | €21,632                              |
| Minus costs (not including stud fee or training fees) | -€4,000                     | -€4,300                    | -€4,600                 | -€4,000                                | -€4,300                               | -€4,600                              |
| Profitability Indication                              | - €400 (-stud fee*)         | €708 (-stud fee*)          | €6,260 (- stud fee*)    | €3,754 (- stud fee *)                  | €8,231 (- stud fee*)                  | €17,032 (- stud fee*)                |

\*plus any additional costs that may have been incurred; Incl. = including; Ave = Average

\*\* Select Sales at Cavan; Goresbridge; Barnadown; & Millstreet (46 foals sold)

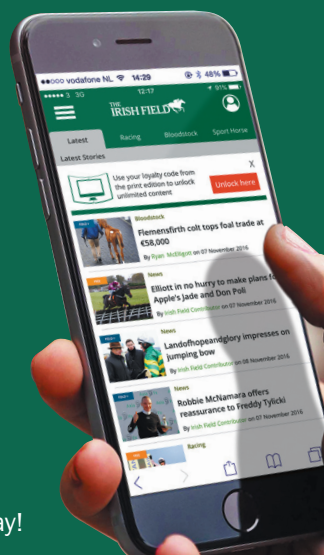
\*\*\* Select Sales took place at Goresbridge Go for Gold Event Sale; Monart Event Sale; Cavan Elite

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Laurence Dunne/Jumpinaction.net



**Brendan McArdle and Sarah Crosbie's Elvis Ter Putte colt out of Royal Show (Cruising) fetched €14,000 at the Goresbridge Select Sale of Show jumping Foals at Barnadown 2017**

SELECT SALES

The select sales continue to contribute very significantly to public auction turnover across the age categories. The success of these sales lies in a combination of pre-selection and the focused marketing drive that accompanies them. The availability of online videos is an exceptionally beneficial marketing tool that those selling privately should note and mirror. It is clear that if the breeder is to invest in producing to four-year-old and older then the initial appraisal of stock must be very critical, with acceptable pre-sales preparation, X-rays, and high quality production with some competition mileage.

Susan Finnerty

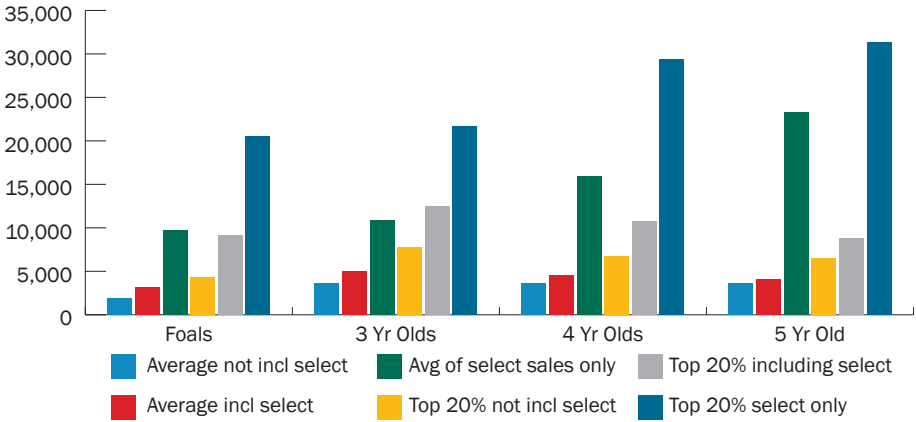


**Young Breeders Reunited: Klaus Thiedemann, Lina Preuss and David Bourke, part of the Teagasc equine tour, who all competed in the world young handler championships**

The mare: cost of production

| Expenditure  | Cost (rounded) | Explanatory Note  |
|--|----------------|---|
| Repro veterinary – average two cycles (chilled semen)                              | €620           | Veterinary: Fresh €100; Chilled €250; Frozen €350 per cycle                         |
| 2 x Pregnancy exam @ €30 & 2 x visit @ €30   |                |   |
| Vaccination  | €35            | Flu & Tetanus   |
| Dosing   | €50            | Faecal Egg Count Test x 2 @ €13 each (minimum)                                      |
| Tapeworm & encysted redworm 1 dose @ €5; 1 dose @€17                               |                |   |
| Farrier  | €135           | 5 trims @ €27 / trim  |
| Dentist  | €50            | Annual standard treatment   |
| Concentrates   | €100           | Balancer €100 versus Stud Cubes €133; Accounts for foal also as creep feed.         |
| (Varies depending on grazing availability, body condition, and mature body weight) |                |   |
| Hay  | €50            | 2 round bales hay @ €25 /bale   |
| (Varies depending on forage & grazing quality, body condition, mature body weight) |                |   |
| Bedding  | €85            | 6 round bales @ €14/ bale   |
| Assuming housed 5 months with daily turnout.                                       |                |   |
| Miscellaneous  | €300           | Tack; Transport; Grazing; other   |
| Total  | €1,425         | Not Including Stud Fee  |
| Stud Fee   | €200 to €3,500 | Highly Variable - should be added on by individuals as per individual circumstances |

Figure 3  
Overview of all age classes



PUBLIC AUCTION TRENDS

An animal that appears on the face of it to have attained a relatively low return at auction may have reaped a better profitability than another with a perceived high return, dependant on the input costs prior to sale. Using an Irish-based stallion may be a more prudent, cost effective choice for some mares than importing semen. For some mares, the breeding direction should be carefully reconsidered if the performance heritage is not strong enough, as expending large sums on expensive high performance stallions may have negligible likelihood of producing a financial dividend. Irrespective of breeding direction, the mare must still meet a basic standard of soundness, conformation, athleticism and temperament with good standards in production for the offspring. It is important to be super critical of the mareline and performance achievements in

making the decision on how much to invest in a stud fee, and the method of breeding chosen. Don't expect the stallion to compensate for too many deficits on the part of the mare. For most breeders the aim is to sell foals, however, it is evident from the public sales returns that to do so with financial reward, demands a strong mareline, with plenty of performance heritage, as well as a reasonably correct and well produced foal. The top 20 priced foals were all bred with the show jumping market in mind; all by continental sires, and all with imported semen with the exception of one colt. The top end of the market saw a marked rise with a €1,075 rise in the average of the top 20% above 2016 figure, and a €225 improvement in the overall average on 2016 (see chart).

IMPERIAL TIGER

BAY - 2007 - 166CM

Sire: PUISSANCE - IMPERIUS ex LADY MARLANE  
Dam: GENTLE SERVANT - KING'S SERVANT ex GENTLY

IMPERIAL TIGER

JUMPED SUCCESSFULLY AT 130m LEVEL

His 2 full sisters are grade A show jumpers **LEE ANN** and **LITTLE ELLE**.

**IMPERIAL TIGER** has unprecedented **FIVE full siblings** that have all **WON** at National two star level and above:

- > **GFG RAMBO MAN** (2002)
- > **CHANTERELLE II** (2003)
- > **ARDAGH HIGHLIGHT** (2004)
- > **HORSEWARE LUKESWELL** (2005)
- > **HARTHILL PERCY** (2006)

**ARDAGH HIGHLIGHT** was **EVENTING IRELAND'S LEADING HORSE IN 2017**, winning two Internationals at two and three star, and picking up multiple International placings, also qualified for WEG 2018. **HORSEWARE LUKESWELL** is an **INTERNATIONAL THREE STAR WINNER** and finished 12th at the 2015 European Championships.

Also standing - **SEA MOON**  
A dual purpose son of **BEAT HOLLOW**. He is a triple Gr.2 winner who defeated 13 GR. 1 winners for TB mares only.

Limited supply of frozen semen available from **PUISSANCE**.



*"This bloodline is astonishing. To produce that many winners is phenomenal, but the physical and mental attributes of these horses are everything you want in an elite sport horse. The two I've won three stars on (Highlight and Lukeswell) are probably the two best equine athletes I have ever competed."*



- Sam Watson

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