

On Jan. 21, it was announced that the four major sales companies in the United States--Barretts, Fasig-Tipton, Keeneland, and the Ocala Breeders' Sales Co.--had agreed to implement a uniform list of regulations at two-year-olds in training sales. Included was the regulation of medications, horseshoes and riding-crop usage during under-tack shows, as well as prohibitions against certain practices, such as shock-wave therapy.

The National Association of Two-Year-Old Consignors (NATC) was instrumental in helping establish the new uniform policy. On Sunday morning, NATC Chairman Mike Mulligan, of Leprechaun Racing, sat down with the *TDN* to talk about how the new rules will affect the two-year-old sales.



Mike Mulligan
Horsephotos

Are you and the other NATC Board members happy with the uniform sale policies announced by the major sales companies?

"Yes we are. The NATC has been working with the sales companies and all the consignors to try and get these policies uniform. At OBS, there was basically no change. The Florida laws were very strict in terms of medication.

I think that this did two things. First, we want to continue to instill buyer confidence and let them know that this was more an informative thing, as really most of these things were in place. We just wanted uniformity from state to state, so that every sales company was the same. But there wasn't that much change. We've had drug testing in place for eight or nine years now, and I think there's no safer place than the two-year-old market because there are so many safeguards in place to protect the buyers."

What do the new policies mean for the buyer?

Most of the policies, again, were already in place, so really it's mostly a confidence issue. If there was any gray area, or the buyer wasn't familiar with the laws or policies from state to state, this helped inform and protect the buyer. But if, in the past, there wasn't something happening within these guidelines, I think that was by far the exception and not the rule. I think the vast majority of consignors have relied on good horsemanship and care when it came to the horses, and by doing what's right for the horses.

Have you noticed a change in the buyer that shops at the two-year-old sales?

I think that there might have been a perception that these horses are one dimensional--more precocious and just early speed. But [in 2008], two-year-old graduates won two of the Triple Crown races and four of the Breeders' Cup races. And now there's a lot of sire power and a lot of broodmare power, so that across the board there are buyers at every level who are looking for everything from the \$75,000, nice allowance horse, to horses that are going to be more expensive who can compete at the top levels of racing. And those horses are going on to be top broodmare prospects and top sire prospects, and people are noticing that.

Aren't the two-year-old sales all about speed and quick results?

I don't think so. We've sold the winners of the GI Breeders' Cup Classic, the GI Jockey Club Gold Cup and the GI Pacific Classic. We had five Eclipse finalists this year who won three Eclipse Awards, and three of those horses won races at a mile and a quarter. So I think that when we go buy horses, we're looking for that precocious, athletic horse that's going to be able to work well and show themselves well early in the two-year-old year. But I think that when you buy the quality of horses that you have to have to compete now, a lot of those horses are really good horses who are fast, but then are able to carry it. I don't think it's a one-dimensional issue at all anymore.

Are pinhookers shopping differently than in the past?

I think it's evolved. I think that 10, 15 years ago, it was a lot of Florida breeders who weren't bringing their horses to the yearlings sales--they were just bringing them straight to the two-year-old sales. There were a lot of major operations like Ocala Stud and Mockingbird who did that. And I think that pinhookers were buying a more one-dimensional horse then, because nobody had the capital to buy those sorts of horses. But over time, it's evolved to the point where we have to have that special horse, and the buyers don't cut us much slack. Because of syndicates and the amount of money invested in the two-year-old game now, it affords consignors the ability to have top-end horses who were expensive yearlings. That's why you see a horse like Munnings (Speightstown), who cost a lot of money as a two-year-old, but then go out there and show that they are Grade I horses.

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Are you continuing the NATC Colt & Filly Futurities in 2009?

We are. They'll be at Monmouth Park again. Each race will be about \$100,000 added, \$200,000 estimated. I think this will be the eighth year that we've



2008 NATC Colt Futurity winner

Forty Thieves *natc.cc*

had the races. We did them to add another incentive to buyers, and it's been targeted to the middle market because it's a restricted race. It runs in the Northeast at the end of the summer or early fall, and it gives buyers another opportunity to recoup some of their investment. It's been successful in the past--Closing Argument won that race as a two-

year-old and then went on to finish second in the GI Kentucky Derby the next year. We've had some nice horses come out of there. We're all working really hard to improve our product and make our product attractive to the buyer base, and to reward our buyers.

To an outsider, it appears that the two-year-old consignors are a tight-knit group. Is that the case?

I think because most of us are based in Ocala, and we're in a small town and all of us kind of do the same thing and all travel together, that we've all become friends. Nobody got into the horse business because they didn't like horses or because they couldn't do anything else. You have to have a love for the horse, and I think that all the two-year-old consignors have that sort of feeling. There's a comradery, because we are proud of what we do, we believe in what we do and we think we produce good horses. We have a lot of common beliefs, I guess, and since we've started the NATC to further educate buyers, there have been 10 or 15 men and women who have been on and off the board, and we've gotten to know each other better through that. And a lot of us socialize together and our kids go to school together, so we've built up that relationship over the years. We're all cheering for each and we want to see everyone do good, because we want our market to grow and our buyers to feel good about our horses. I think everybody feels that way.

But I think there are a lot of breeders in Kentucky and here in Florida that understand the impact of the two-year-old market on the yearling market. For our operation, for instance, we'll look at 5,000 horses to short list 500. We'll vet those 500 to bid on 400 horses to buy 40. And that's just my operation. Times that by 20, and the impact--let alone for the veterinarians and the vans [laughs]--on the marketplace is substantial. If the two-year-olds have a bad year this year--which I'm hoping won't happen and I don't think will happen---it will have a huge impact on the entire game. We're all in this together.

In conversations that I've had with key people in the industry over the last several months, I think that everyone realizes that we're all in this together--not just the two-year-old consignors. It's everybody who breeds, races, etc., and we all have to work together.

First and foremost, we have to do the best thing for our racehorse owners. We have to work on our owners. We have to work on purse structure. We have to work on advance-deposit wagering. We all have a lot of work to do. *-Lucas Marquardt*