

TDN Q&A

On Sept. 3 and 4, the Canadian Thoroughbred Horse Society's annual Ontario-bred Select Yearling Sale will take place at the Woodbine Sales Pavilion at Woodbine Racetrack near Toronto, with an Open session to follow Sept. 8. Ontario horse racing has been hit this year with the provincial government's shock cancellation of the Slots at Racetracks program, a successful partnership with the province's racinos that has helped fund purses and breeders awards for almost 15 years. The *TDN* caught up with CTHS President Glenn Sikura, who also owns and runs the Canadian division of Hill N' Dale Farm, to discuss how the current instabilities in the province will affect the Ontario-bred yearling sales.



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TDN: With everything that's going on in Ontario at the moment, what are your expectations leading into the sales?

GS: Extreme caution, obviously. We're getting messages from government, and I guess depending on whether you're optimistic or not, you could take the messages in a different way. There's been a panel that was appointed by the provincial government [the horse industry transition panel] that had three former agricultural ministers on it, and they came up with several recommendations [in an interim report released Aug. 17. [Click to read report](#)]. The most important things they noted were, first and foremost, that the public good is the first thing they have to be able to satisfy, and they came to the conclusion that horse racing was in the public good. The next statement of importance was that racetracks could not survive without income above and beyond parimutuel wagering. So I think if you put the two of those things together, [horse racing is] for the public good and can't survive on just parimutuel, it would lead you to think that maybe there's some room to work out an acceptable deal, some other form of gaming at the racetrack that would be able to sustain us. So it's come a long way from the original mandate of this panel, which was merely to transition us from where we are now to other vocations, to actually coming up with a sustainable model for the industry. I'm absolutely convinced that the people that were making these decisions had no idea of the impacts of what they were doing.

So it's been a real educational process and I think they're catching on somewhat at this point in time. Obviously for the sale, we still would have liked to have heard any number of reassurances that we've yet to hear, but what we have heard is that they're fully prepared to work with us and come up with something where we can have a sustainable industry.

TDN: Do you think the positive reinforcements that were in the interim report released by the panel will help give buyers more confidence than they may have had a few weeks ago?

GS: I hope everybody takes some time and gives [the interim report] a significant looking over. Again, they're not concrete recommendations at this point, but they're recommendations, and the government doesn't have to adopt them. So I think it depends on your level of cynicism or your level of optimism. That's going to have an affect on your purchasing habits.

TDN: Is there a fear that sales prices will be significantly down this year?

GS: I think we're all frightened. Obviously we still hope that it won't be, but there's definitely a fear that things aren't going to be as good as they should be. We're hopeful that the negative, which is the uncertainty currently locally, could potentially inspire some opportunism, particularly for out-of-town buyers. We have an inward buyers program, so if someone were to come up here and spend at least \$20,000 on a horse, they would get their hotel and whatnot reimbursed. We remain hopeful that some pinhookers and others might see this as an opportunity to come up here and catch a great day or two of racing and potentially, if there is a depressed market, it's an opportunity for them [to buy yearlings at value].

TDN: Has the CTHS been doing anything to market the additional benefits of Ontario-breds aside from the opportunity to collect significant breeders awards competing in Ontario? Ontario-breds like Marketing Mix, who was second in the GI Beverly D. S. Aug. 18, have shown these horses can compete on an international stage.

GS: That was really meant to be the focus of our advertising this year, because even though we've got more answers now than we did six weeks ago, it was felt that what we needed to show people was not that we sell good horses for Woodbine, but that we sell good horses full stop. The horses we sell here can go elsewhere and compete, so that was meant to be the focus of advertising campaigns this year. I said to one of the girls in the office, go and get absolutely every graded stake that a sales graduate has finished first, second or third, and advertise that. There's not a lot of reasons for [Ontario-breds] to go elsewhere because the purses have always been so good here, at least for the last several years, so why would you bother competing out of the province?

Q&A cont.

One of the quandaries we're going to have [at the sales] is with the Ontario-sires program. That program has really gotten strong over the years. The catalogue does have a lot of Ontario sire produce, so some people that don't compete up here won't be as familiar with those horses. My consignment would be leaning more towards Kentucky-based stallions because that's how I've always done business in the past, but I think the trend overall has been that a lot of breeders up here have moved towards the Ontario sires program. And part of that has led to some better stallions coming here, like Philanthropist and Old Forester. Horses like that previously wouldn't have been horses to stand here, but the program has gotten strong enough over the past few years to sustain them. Philanthropist bred, I think, 107 mares [last year], so why bother moving him? He has subsequently been sold to South Africa.

The catalogue does have a lot of Ontario-sired products. We're hopeful that will stir up some local presence at the sale, and that the foreigners that do buy will buy with the intention of racing at Woodbine. The panel has affirmed that the Ontario sires program and the Thoroughbred Improvement Program are of the utmost importance to the health of the industry, but that's about as far as they can really go. They can't tell you numbers, they can't tell you exactly what the purses are going to be. If you're prepared to take a leap, you can have some assurance that the panel that's making the recommendations is going to push very hard to do what they can to keep the purses at the highest possible level.

TDN: How has that ad campaign worked out?

GS: I think it's been okay. You're always concerned with advertising whether you really get bang for your buck or not. How effective it has been, I guess we won't know until Monday night or Tuesday at the sale. We have a great office staff, they've been very aggressive in calling owners and trainers in the States and encouraging them to come to the sale. Being right before Keeneland is not the best timing for us, that's 4000 to choose from down there and 250 here. It's a tough sell sometimes.

TDN: How have the breeding and sales consignment industries already been affected by the government's decisions so far this year?

GS: We know they have been, and maybe Philanthropist has been an example, or maybe not. There's a horse that presumably could have had a long career in Ontario, but with the uncertainty and the fact that somebody had ready cash, they moved him along. There were a lot of people that didn't breed back mares this year. There were people that decided not to breed to Ontario sires, but to breed to sires in the States, thinking there would be a larger market if they had to sell the foal down the road. Things have taken a nose dive up here. There's definitely been an impact. Some boarders on my farm, either from the States or out of province that have registered Ontario-bred foals, haven't brought their mares back here.

One of my longest clients foaled his mares here, he does every year, and he took them to Kentucky to have them re-bred. When I asked him about bringing them back here, he said, 'Why would I do that?' So that cost me six stalls.

TDN: Is the number of horses catalogued down for this year's sales?

GS: The select sale is the same, but we have a cap of 240 to 250 horses, so it's the best 240 or 250. The open yearling sale is down about 20%, so there may well be some people that were worried that the market wouldn't be strong enough and decided to hold onto their horses, or maybe they've been able to [sell] them pre-sale. Or perhaps they're just not prepared to go through and spend the couple thousand dollars required to make it through the sale ring, from the halter and the shipping to the day rate and commissions and everything else. They're either going to keep them or find another home for them.

TDN: Is there anything else you would like to tell the readers about what's happening in Ontario?

GS: There was a rally today [of Ontario horse racing participants outside the provincial government offices in Toronto]. One of the opposition parties, the Progressive-Conservative Party, has a [member of parliament] that has put a motion through, and it has called the auditor general to go through the whole cancellation issue and see if the economics support the cancellation of the program [that motion has subsequently been passed].

Very interestingly, two of the three [political] parties were supportive, so there were members from both the New Democrats Party and the PC Parties that got together on this issue. The Liberals [the governing party that has implemented the cancellations] would be Left Wing, the [PC party] would be very Republican in nature, and the NDPs would be someone left of the Democrats, but they had the most left leaning and the most right leaning political parties standing on a podium together, clenching hands and saying, 'We're not going to let this go down without a fight.' It was inspiring today.

I don't see how, with the mathematics of this, it can be anything but a grave error to cancel the program. That's not to say there shouldn't be some accountability and bench marking. It's such good value for [the government], and there's no way they can replace the program in short order. How on earth are you going to replace \$1.1 billion in income by next March? That's their cut from it. How they think in four or five months that they could have another program in place to replace that income, that's just fiscally insane.

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