

Promise of slots fuels stud fees, too

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Traditionally, the economic base of horse racing was the bettor handing his money to the teller at a betting window.

The more money that people bet on races, the higher purses became. The higher purses became, the higher yearling prices became. The higher yearling prices became, the higher stud fees became. The entire chain started with the person placing a bettor.

That is still true, too, but the bettor might soon be replaced by the person playing a slot machine. There is no doubt that slot machines revenues will fuel higher purses. Higher purses lead to higher yearling prices and, inevitably, higher stud fees for prominent stallions.

That has certainly been the case in Pennsylvania where the promise of slots, approved by the legislature in 2004, has helped attract a host of top stallions at premium stud fees. The foremost example is Andover Hall.

Andover Hall entered the stud at Hanover Shoe Farms with a \$10,000 fee, and there was solid demand for the son of Garland Lobell; he bred 157 in each of his first two seasons. After the slots legislation was approved in Harrisburg, owner Erkki Laakkonen raised the stud fee to \$15,000 for 2005. Then Andover's book dropped to 111 mares, not unusual for a stallion a few years off the track.

When Andover Hall's yearling sold at such premium prices last fall, the stallion's stud fee was bumped to \$20,000. Some breeders protested that it was insanity to raise a horse's stud fee so dramatically before his offspring had ever raced. His 2006 book consisted of 104 mares.

Now that Andover Hall's offspring have raced, his stud fee will be \$25,000 in 2007 and the same breeders who wailed loudly about the increases will probably be standing in line with their best mares just praying to get a booking to Andover Hall.

It is the performance of Andover's 2-year-olds---plus the appealing promise of slots at the Pennsylvania track---that is fueling the demand for his services.

Hambletonian winner Glidemaster enters the stud ranks in Pennsylvania next year at Walnridge's facility in the Keystone State and the tariff for a live foal by Glidemaster will be \$12,000. Certainly the lure of slots was part of putting Glidemaster in the Keystone State.

Two other outstanding Pennsylvania stallions at the same price level are Cantab Hall and Tom Ridge. Cantab Hall is a son of Self Possessed standing at Hanover Shoe Farms. His first foals will sell as yearlings in 2007. Tom Ridge is by Muscles Yankee and he stands at Nandi Farm and his first foals will sell next year.

The promise of slots-enhanced purses have increased prices not only for Pennsylvania-sired yearlings, but also for yearlings sired in New York State where slots revenues are beginning to flow into the purses.

Breeders and stallion owners in the province of Ontario and the state of Delaware have already benefited from the revenues that slots generate for purses.

Increased purses---regardless if they come from more betting or from slot revenues---

infuse harness racing with greater financial rewards and fuel the optimism that is the basis for yearling sales. But it's important to note that the promise of slot revenues can boost not only purses and yearling prices, but also stud fees.

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