

The Business of Breeding

Thinking of becoming a sport-horse breeder? Veteran breeders offer advice.

BY PATTI SCHOFER



BABY DREAMS: Every sport-horse breeder hopes for a stunning foal. This is the filly French Quater (Quarterback – Florenzio, Florenzio), owned by Nancy Holowesko (MD), at the July 2013 Oldenburg GOV inspection at Holowesko's Crosiadore Farm.



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It's hard to imagine a more emotionally fraught business than horse breeding. Breeders are proud of their mares and stallions and pin their hopes and dreams on the unborn foals. But competition for clients is stiff, mares absorb or abort, foaling complications occur, and promising youngsters have their lives cut cruelly short.

Being a breeder of sport horses means committing to an eleven-month inventory plan, for better or for worse. When the US economy tanked in 2008, mares were already pregnant, stallions were already promoted, and advertising and breeding contracts had been signed. About the only ones who were able to adapt were the prospective buyers, many of whom fled the scene to wait for better times.

Yet some sport-horse breeders persist and thrive despite the inevitable disappointments and setbacks. Perhaps they all have a touch of the incurable optimist, like Maurine "Mo" Swanson, co-owner of Rolling Stone Farm, Slatington, PA, who calls foaling season Christmas in spring.

To succeed as a breeder takes business smarts as well as knowledge of bloodlines, a good eye, and a bit of luck. In this article, Swanson and five fellow breeders offer advice to those considering this niche career.

Starting Out: Three Breeders' Stories

Swanson, a judge for the Oldenburg Horse Breeders' Society inspection tours, wanted company during her own pregnancy. She timed the breeding of her mare so that they would "foal" at the same time.

Today, with husband Jim, Mo Swanson has a daughter, a son, and 135 horses on 40 acres in Pennsylvania's Lehigh Valley. Since its construction in 2000, Rolling Stone Farm has produced many Dressage at Devon (PA) breeding-show champions and reserve champions, 36 elite mares and elite-mare candidates, a state premium mare, six special premium mares, five Verband premium mares, a fully licensed and approved stallion, and three licensed stallions, among others.

Anne Sparks, owner of Horses Unlimited in Albuquerque, NM, had a grandfather who bred American Saddlebreds for decades prior to World War II. Young Anne dreamed of following in his footsteps, but with sport horses instead of Saddlebreds—strong, athletic animals created by crossing the heavier farm breeds and old-style Quarter Horses with Thoroughbred and Arabian blood. Sparks later learned that warmblood breeders already were doing just that. Today the Hanoverians, Oldenburgs, and RPSIs that she has bred have won many USDF Horse of the Year



DREAM COME TRUE: *Horses Unlimited's Anne Sparks is the proud breeder of the Hanoverian stallion Pikko del Cerro HU, shown competing at Grand Prix under Lisa Wilcox*

and All-Breeds awards, among others. A current standout is the 2003 Hanoverian stallion Pikko del Cerro HU (Pik L – Rohweena, Rohdiamant). Pikko del Cerro HU won three consecutive Markel/USEF national young-horse titles—Six-Year-Old, Developing Prix St. Georges, and Developing Grand Prix—and is currently competing at Grand Prix under Olympic veteran Lisa Wilcox.

Kimberly Van Kampen Boyer started out as a warmblood enthusiast. She and husband Frederic Boyer purchased a 200-acre farm in Fruitport, MI, so that their sons could learn to ride. Before long, Kimberly was focused on dressage horses, importing from Germany, the Netherlands, and Spain to the Michigan farm, which they had renamed Hampton Green Farm. Today Hampton Green Farm, which has expanded to a second location in Wellington, FL, is a leading US breeder of PREs (*Pura Raza Española*) for dressage. Boyer, the farm's president, is the owner of Grandioso III (Adelante – Grandiosa, Sevillano IX), a 1999 PRE stallion who competed in the 2012 Olympic Games for Spain under Jose Daniel Martin Dockx. She is also the current president of the United States PRE Association.

Formulate a Strategy

Our experts advise anyone considering going into the breeding business to start by identifying the target owner of the horses you plan to produce. Who should buy your babies or breed to your stallion? Professionals? Amateurs? Will most be sold as foals, or will you keep some until they are under saddle? Is your target buyer a rider or a fellow breeder looking for breeding stock?

Breeders' business plans differ significantly in this regard. Boyer, for one, aims to produce horses with the ability to go all the way.

"For the Spanish horses, the only game is Grand Prix," she says. "I can't imagine breeding and not wanting the very top horse."

In contrast, "Our biggest market is the American adult-amateur woman looking for a horse under saddle, and rideability is what she wants," says Swanson.

For that reason, all of the broodmares at Rolling Stone Farm have been performance-tested, and in some cases Swanson can go back three generations of performance mares.

"I have produced horses with Olympic-quality gaits, but an Olympic rider doesn't come to my farm to buy horses," Swanson says. "I've learned that a horse may have the best gaits on earth, but it doesn't matter if a buyer can't ride it."

Boyer, on the other hand, breeds with the pro in mind: "When I sell a horse, I want to be sure there is a professional involved, either as an owner or trainer. Few adult amateurs are able or want to train a young horse."

Some breeders try to please both pros and amateurs. At her Beall Spring Farm in Beallsville, MD, Swedish Warmblood and sport-pony breeder Thora Pollak strives to produce two types of horses: one that's amateur-friendly and the other with more movement that a professional can ride.

You'll also need to decide whether you'd prefer to stand a stallion, breed one or more mares, or both. Consider your finances, farm size, and breeding philosophy.

Breeders who are primarily mare owners enjoy the flexibility of combining their mare lines with selected stallions from all over, not just the ones in the back yard.

"I've worked hard to get a special group of broodmares. With their lines I combine with the best stallion lines around. This way I'm able to diversify and improve each time I breed," says Pollak, who says she's bred to German stallions as well as Swedish Warmbloods.

Even though Rolling Stone Farm owns five stallions, Swanson considers herself a mare owner.

"I don't really advertise my stallions. They're under sad-

dle and competing. I use them for my mares. It's the foals I enjoy, rather than promoting stallions. It's such fun seeing what you get. Once I bred a black mare to a black stallion, and a chestnut foal came out. That was not what I ordered," she jokes.

If you're thinking of standing a sport-horse stallion, be aware that you'll be competing with stallion owners the world over, thanks to frozen semen.

"When the economy crashed, I thought I could sell my mares at auction and then people would breed to my stallions," says Sparks. "That's not what happened. Most people go to Europe for the stallions. If my stallion Pik L had been born ten years earlier, when people were more focused on breeding for durability, soundness, and ridability, he would have gotten a ton of breedings. The market is different today. When people want to breed to my stallions, I always ask what they want to do with the foal. They often say they want to sell it. To me, that means they are breeding for a pretty head and neck set and a fancy trot. But as a breeder, you have to look at what you are doing for future of the breed and remember the goal is for each generation to be better than the last. People have to take responsibility for what they produce."

Boyer breeds four to ten horses a year, and though she has stallions, she does not sell their services.

"I want control of what my stallions produce. I like to be sure they are bred to the best mares, evaluate the foals, and be sure they get matched with the best riders for them," she explains. "Also, when you're selling breedings, you have to be able to collect [semen from] horses day and night. I can't do that when my horses are competing. Plus I want to preserve Grandioso's back and not tax him. So I decided to establish my bloodlines and get the stallions through the competition years."

Stallions require special management, too. "A stallion needs to be turned out separately from the mares and requires daily handling by someone with experience," says Susan Crossen, who with husband Tom owns and operates Crossen Arabians and Warmbloods in Coventry, CT. "A stud can disrupt the entire barn when there are mares in season. It's not conducive to keeping everyone's mind on work."

Choosing Breeding Stock

Conformation, temperament, movement, athletic ability, and production record are the watchwords when evaluating an individual mare or stallion for breeding. However, pedigree is equally important.



PROMOTION: *Sport-horse classes and inspections help breeders get their horses noticed. Veteran handler Quinnten Alston shows Ezequiel (Escudo II x Absolute), a Hanoverian colt owned by Beverly Weinstein (NY).*

"You need to know characteristics of a bloodline and what's behind them," says Sparks, using as an example the late Oldenburg elite stallion Rohdiamant. "Rohdiamant's mother was tiny. So you ended up with big and small babies. Knowing this characteristic can be useful when planning breedings.

"I learned to always look at the back of the pedigree," Sparks continues. "I spent hours on the phone with Eleonore Schorlemmer [breeder of the Hanoverian stallion Landkönig, producer of jumping champions] and learned so much from her."

The back of the pedigree, Sparks explains, refers to at least three generations back on both sides. "There are characteristics in the grandparents of the parents that might come to forefront in the offspring, like bigger size and bone structure. Since the warmblood came from crossing hot blood to cold bloods, without continued influx of hot blood, offspring tend to return to the heavy, cold-blood bone structure. We see it all the time in children who do not look like either parent but are dead ringers for a grandparent or great-grandparent." ➔

Studying pedigrees gave Sparks the courage to breed her Rohdiamant mare to her stallion Pik L, ignoring that popular adage that if you want to produce a dressage horse, it can't have more than one-quarter jumping bloodlines. Her first foal from this cross was the Hanoverian stallion Pikko del Cerro HU, whose accomplishments we described on page 38.

Study the dam line, recommends Laurie Weiser, DVM, a small breeder who owns Blume Farm Hanoverians in Pittsboro, NC, and was the 2012 winner of The Dressage Foundation's Elysium Farm Fund for Breeder Excellence grant. "The dam line should be proven by having sport horses, licensed-stallion sons, daughters that have placed high in shows and mare performance testing. 'You don't breed a dam, you breed a dam line,' I learned."

Business Considerations

Some breeders, like Pollak, choose to incorporate their businesses as limited-liability corporations (LLC) as protection against personal liability. Others, like Swanson, opt for large insurance policies instead. A business lawyer and a tax professional can give you guidance as to the options.

"We insure the farm for a lot of liability because we have people who come to the farm who misrepresent their riding skills," Swanson explains. "The insurance covers us for an accident—and we pray a lot. We start visitors out on the quietest horses and then move them up depending on their ability. I've taken people off horses that were inappropriate for them. They need a certain skill level for a young horse. Of course, I can't test people that buy foals. I try to represent my horses to the best of my ability. It's hard and sometimes I've lost sales, but I have to sleep at night."

Although Rolling Stone Farm carries insurance, the farm's horses are not insured. "The amount to insure them would cost me as much money as I could use to buy new horses," Swanson says. "Realistically, I can't insure them for what they're worth. And then which ones do I choose?"

Most breeders realize the value of using written contracts with clients. As Boyer explains, "Most horse [sales] contracts are 'as is' contracts. The buyer vets the horse, signs off, and is responsible for everything down the line."

Marketing

To reach potential customers, one marketing platform stands out: the Internet. Today's horse buyers shop using websites, YouTube videos, and Facebook posts. Although it takes time to keep websites and social-media pages up-

dated, the Internet is the most cost-effective way to reach a lot of people.

Gone are the days of mailing clunky videocassettes of stallions and sale horses. And if a buyer wants to see a horse trot away from the camera, free-jump, or show more walk, all the breeder needs to do is get out the video camera and then upload the footage to YouTube or another video-sharing site.

Savvy breeders realize the value of engaging an audience using social media. Says Susan Crossen: "We use Facebook like a blog about our farm and horses. One photo I uploaded received over eight hundred views. It was my husband holding a newborn foal with the dam proudly looking on."

Another important way of getting horses in front of potential customers is to compete them. Young horses can compete in dressage sport-horse breeding shows, including in-hand and materiale classes; breeding stock can show in hand or under saddle; riding horses have the entire performance spectrum to choose from.

Sparks believes that performance credentials enhance the appeal of a breeding stallion. "I've just started offering semen to breeders for Pikko del Cerro HU because I wanted him to prove himself as a performance horse first," she says.

Competition successes also can have a positive effect on the bottom line. Beall Spring Savanna's (Bellini x Chapman) reserve-championship title at the 2010 Markel/USEF Young Horse Central States Dressage Selection Trials for the FEI World Dressage Breeding Championships helped raise the value of other offspring of Savanna's dam, Sahara, according to Pollak.

Over the past few years, many sport-horse breeders have adjusted their marketing strategies to cope with changing economic conditions. Before the recession set in, Swanson sold half of each year's foal crop. Although her best foals are still selling, she now sees the riding-horse market as the leader.

Pre-recession, "People who would buy foals from me were the ones that couldn't afford to buy a top-quality horse already under saddle. They were willing to buy a foal or yearling of quality to take forward. These people were hit hardest by the down economy and aren't buying. So I keep some of my best foals to eventually sell as riding horses. I can't have just the average horses to bring forward to the riding-horse age if I want to attract buyers," Swanson says.

A Dose of Pragmatism

The breeder is only one link in the chain of a dressage horse's life. Our experts stress the importance of having a strong team—grooms and handlers, veterinarians and far-

riers, young-horse trainers and FEI-level trainers. If any of these links fail along the line, the horse likely won't reach its full potential, no matter the breeder or the bloodlines, Boyer says.

Breeding sport horses may be a labor of love, but it requires a certain toughness of character. "Breeders are not pet owners. We love our horses, but we have to use logic over emotion," says Boyer. "You might have two beautiful parents that produce a foal with a congenital defect. The strongest should survive. You're bringing horses into the world that have to be fed, cared for, and live twenty years."

Learn as much as possible about bloodlines and breeding stock before you go into the breeding business, our experts advise—and they caution against the urge to breed a mare simply because she cannot be ridden.

"You have to be honest about the flaws within your progenitors," Boyer says. "Certain horses are breeders; they may not be remarkable themselves, but they throw remarkable horses."

Pollak's advice: "You have to be open-minded to make your breeding better. I was an art major, and you have to know when a design isn't good and you have to make it better."

If you're looking for a foundation mare, "Buy from someone who knows what they're talking about, who will say this bloodline is known for this or that, or might say, 'This one is good, but it has a little weakness over the loin,'" Swanson advises. "That is not a death sentence. If that is what you can afford, you breed to a stallion that is strong over the loin. There is no perfect horse born yet. I order one every year and haven't gotten one yet."

Breed for ridability and temperament, our breeders advise; but be prepared for surprises. In the genetic roll of the dice, you might breed Marilyn Monroe to Albert Einstein and get his looks and her brains.

But persistence—and a little luck—can pay off even if you're not starting off with a superstar mare. Says Swanson: "I started with what I could afford and bred up. My life's work is in my back yard." ▲

Patti Schofler, of Petaluma, CA, is a freelance journalist and publicist as well as a USDF "L" program graduate with distinction. She has earned her USDF bronze medal and is half way to her silver.



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