

Katie Tims has worked for Quarter Horse News since 2001 and has been editor for six years. She grew up on a family ranch in Northern California that



just celebrated its centennial anniversary. Katie oversees the biweekly publication of Quarter Horse News and also writes and compiles statistics for the annual Quarter Horse News Sales Price Guide, which is considered to be the "Blue Book" of the performance horse industry.

On one side, the horse market is strong. On the other side, there are challenges that extend beyond breeding numbers and sale prices.

Perhaps we see ourselves as the center of the universe. And in the middle of our day-to-day, year-to-year, decade-to-decade endeavor to breed, market and promote the horses we cherish, our efforts are central – central to a livelihood, central to an industry, central to a way of life.

It's our universe.

Problem is, that universe is contracting, and as a result, our horse industry struggles with diminishing numbers and tougher challenges. It was easy when times were good and the Baby Boom Generation was maturing into its own, into a place where careers were wrapping up and disposable income was plentiful. This generation was the one who grew up with and idolized the likes of Roy Rogers, John Wayne and the Lone Ranger.

There is, however, a threat that lurks out there somewhere. It's a generational change with sharp teeth, and it threatens to bite hard if we, as an industry, don't tackle it first. The threat is the migration away from the Western tradition, of a young generation that finds it easier and more pleasurable to play videogames, snowboard, shop, race dirt bikes, skateboard, frequent amusement parks and play sports than to embrace the responsibilities of owning and caring for a horse.

These are kids with parents who grew up on the waning edge of the legendary cowboy. They watched a few John Wayne movies or flipped the channel to rerun episodes of Bonanza, but today's parents didn't celebrate Roy Rogers, Dale Evans, Will Rogers or Will James. When kids of the 1980s and 1990s heard about a "gunslinger," they thought of Rambo or Arnold Schwarzenegger, not Doc Holliday or Black Bart. Hank Williams was before their time, as were Gene Autry, Marshal Matt Dillon and the Lone Ranger.

The march from rural life to urban areas and suburbs has been steady since World War II. Now, we're losing generations (kids of the 1940s, 1950s and 1960s) who were more likely to have spent significant time with parents and grandparents on ranches and farms. Granted, it's all of a sudden cool for urbanites to "buy local" and support local food production, but that's just not the same as the time spent with family who, without subsidies, made it or lost everything according to their hard work on the land. Those people had a strong resolve and love for the rural way of life. Those ethics and that passion seeped into the hearts of kids who then grew up, made their livings and bought horses in an effort to return to their country roots.

Without reverence for the traditional Western way of life – the cowboy and his horse – parents today prickle a little more at the thought of a \$100 shoeing bill every month-and-a-half, riding lessons every week and feed expenses every day.

"Hey, little Johnny, what about trying that mountain bike, baseball, tennis, swimming or (fill in the blank) instead? A horse or Disney World, take your pick!"

Especially right now, it's difficult for parents – ones in a pressured job market, challenged 401Ks and little to no spare time – to justify a Western ideal they don't recognize.

So, what does all of this mean for the horse market?

Talk to a horse trader in the United States and he'll tell you there's no middle class in his market right now. Granted, the market is booming at the top. Call it the "Tiffany's" of the horse world, whether you're talking Thoroughbreds, Quarter Horses, Standardbreds, Arabians – whatever kind of horse. Wealthy people are happy to pay major money for the best horses. Pedigree, performance and produce – any and all of those get the job done.

Scout one notch down, however, and the market drops out from underneath itself. Lower-quality horses are cheap, and there simply aren't enough buyers to support the massive supply. Add in the realities of a weak economy, ban on domestic horse processing in the United States and a waning interest in horses by the general public, and we've got ourselves one heck of a challenge.

Evolution of the horse market

In order to understand where our market's headed, it's first important to understand where it's been.

Breeding horses with a hopeful eye on the future has been the impetus since the Mongols took off on their steeds, the Europeans perfected their warhorses and the North American Indians urged theirs on at greater speeds. What we do now is not new, and it's certainly not unique to our era.

What is different, however, is the core reason for which we breed. In most parts of the world, horses are on the unemployment rolls, as far as real jobs go. Sure, a few are used on ranches to work cattle and pull feed wagons, and a good many have careers as performers in show rings. But the days of breeding thousands and thousands of horses to fill jobs are gone, at least in the more advanced countries of the world. In 1911, the U.S. Department of Agriculture reported there were more than 23 million horses in the United States. But as the engine replaced authentic horsepower, the population of equines decreased steadily. Just as we're seeing now, albeit on a less drastic level, the supply/demand balance drove prices down. The 1926 Yearbook of Agriculture reported that horses were at their lowest value in 60 years. When the USDA census was taken in 1959, there were 4.5 million horses, and the 1974 count showed only 1.4 million on-farm horses.

Off of farms, however, horses were gaining ground. As people settled into an increasingly comfortable suburban lifestyle, they began acquiring horses for sport and status. This pumped life into the American horse industry, one based on recreation and discretionary income. The USDA census in 2002 reported 3,644,278 on-farm horses, while the one in 2007 listed the population at 4,028,827. The most recent study of the American Horse Council puts the number of horses at 9.2 million, with an annual economic effect of \$39 billion in the United States. By the 1970s, through the '80s and into the 1990s, the sport horse business expanded and diversified. Increasingly, the market became segmented and specialized. The all-around horse gave ground to horses bred and selected for specific disciplines, even within the various breeds. The Quarter Horse, for instance, went down a path that forked, and then forked again. Quarter Horses bred for halter classes gained mass, while individuals selected for pleasure took on the longer, taller Thoroughbred type. Cutting horses were athletic but compact, and there was more emphasis on overall beauty and power in the reiners.

The horse market arrived in the new century at the crest of a strong wave of success.

Every year, the prices got higher and the sell-through rates healthier. The national and world economies were on fire and discretionary money flowed into the horse business. Just as it was on Wall Street and in the real estate market, people bred horses on the best of odds.

Well, we all know what happened to those odds a few years ago. A United States economy that rock and rolled upward for three decades came crashing down, which negatively impacted the horse market. Look at the chart below and you'll see how elite performance horse (cutting, reining and reined cow horse) sales in the United States were impacted. (At the time of this writing, the 2011 National Cutting Horse Association [NCHA] Futurity and National Reining Horse Association [NRHA] Futurity sales had not yet taken place. The National Reined Cow Horse Association [NRCHA] Futurity sales took place in October 2011). There is a sharp decline in the net average and net median immediately following the market downturn in September 2008. Good news is that by 2010 results were starting to edge back up, at least in the cutting and reining. The cow horse sales took a year longer but were up a little in 2011. Granted, the cutting, reining and reined cow horse sales comprise a small slice of the overall market, but they're representative of what's going on across the board.

YEAR	# CON	GROSS	GROSS	AVG	# SOLD	% SOLD	NET SALES	NET	AVG	NET	MEDIAN
NCHA FUTURITY (CUTTING)											
2010	989	\$16,234,400	\$16,415	790	80%	\$11,316,900	\$14,325	\$8,350			
2009	980	\$14,210,600	\$14,501	779	79%	\$10,316,100	\$13,243	\$7,700			
2008	1,456	\$24,180,300	\$16,607	1118	77%	\$15,317,400	\$13,701	\$7,000			

2007 1,252 \$28,286,050 \$22,593 1,026 82% \$21,618,450 \$21,071 \$11,000
2006 1,201 \$24,957,850 \$20,781 938 83% \$20,069,450 \$21,396 \$11,600
NRHA FUTURITY (REINING)
2010 328 \$4,202,200 \$12,812 270 82% \$3,399,100 \$12,589 \$6,500
2009 362 \$3,972,750 \$10,974 269 74% \$2,805,750 \$10,430 \$5,800
2008 363 \$4,340,900 \$11,958 269 74% \$2,924,900 \$10,873 \$7,000
2007 372 \$5,982,100 \$16,081 298 80% \$4,663,500 \$15,649 \$10,500
2006 351 \$5,301,850 \$15,105 285 81% \$4,364,850 \$15,315 \$10,000
NRCHA FUTURITY (COW HORSE)
2011 224 \$2,213,950 \$9,884 180 80% \$1,688,150 \$9,379 \$5,700
2010 256 \$2,056,350 \$8,033 208 81% \$1,651,750 \$7,941 \$4,000
2009 334 \$2,904,100 \$8,695 263 79% \$2,102,000 \$7,992 \$5,000
2008 358 \$3,474,750 \$9,706 291 81% \$2,576,150 \$8,853 \$5,000
2007 311 \$3,884,350 \$12,490 253 81% \$3,177,750 \$12,560 \$8,000
2006 312 \$4,312,350 \$13,822 249 80% \$3,227,350 \$12,961 \$8,500

Good news is that there still is a horse market. Ask any horse trader or breeder who lived through the downturn of the 1980s and he'll tell you these days are not so bad, even though it sometimes feels that way.

"This is kids' stuff compared to the '80s," said Susie Reed, a woman who's been in the horse business for decades and is co-manager of the Polo Ranch in Oklahoma.

However, today's horse market has a wide gap that's getting wider. Prices are still high on the top end but they're lower than ever on the other end of the spectrum. In the following section, you'll see how the market has fared for elite cutting horses, which is representative of the rest of the performance horse market. Basically put, the best sell for the best.

As for the rest, well, it's pretty ugly.

There is still a vast supply of lower-end horses in the United States and the market for those horses is virtually non-existent. There is a huge surplus of horses that have been bred in back yards or whatever reason did not turn out as expected – they were injured, not trained to ride, ignored, etc. On top of this, the U.S. government owns tens of thousands of wild horses that are breeding every season, adding to the population of gathered mustangs waiting to be given

away.

There is literally no outlet for the lower-end horses in the United States. In 2007, horse processing was banned in America and so the only option for owners who desire to sell their low quality horses is to let them loose, give them away or sell them for next-to-nothing to buyers who then ship those horses to processing plants in Canada and Mexico. Take a look the following numbers and you'll see the trend of what occurred in U.S. horse exports to those two countries (these figures, which include horses, mules and donkeys, provided by the United States Department of Agriculture).

MEX	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2004	330	342	288	336	211	532	517	750	1,040	1,066	1,110	426	6,948
2005	480	634	819	430	787	856	904	1,034	1,343	1,504	1,121	1,311	11,223
2006	1,170	736	1,207	1,100	1,409	1,196	1,229	1,658	1,847	2,150	2,924	2,047	18,673
2007	1,770	1,634	2,403	3,005	4,684	3,592	3,198	4,890	4,930	6,469	4,693	3,916	45,184
2008	7,560	3,856	4,683	5,078	5,066	5,612	5,679	5,511	5,926	7,150	6,169	6,286	68,576
2009	5,780	4,923	6,038	6,753	5,015	5,688	6,350	6,199	7,384	7,574	7,438	8,459	77,601
2010	6,859	5,735	7,710	7,950	7,333	8,283	7,149	8,477	9,921	9,268	8,329	8,364	95,378
2011	8,860	6,280	7,865	7,016	8,090	9,887	9,794	12,043	n/a	n/a	n/a	n/a	69,835

January-August 2010: 59,496

January-August 2011: 69,835

CAN	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2004	1,601	1,336	1,765	1,757	1,799	1,684	1,658	1,654	2,359	2,965	2,049	1,747	22,374
2005	1,921	1,444	1,433	2,071	1,242	1,347	1,191	1,327	1,937	2,117	2,365	1,487	19,882
2006	1,953	1,621	2,221	2,072	1,894	1,937	1,899	2,312	2,576	2,859	2,694	1,587	25,625
2007	2,208	2,421	2,559	3,144	3,381	2,431	2,429	4,277	4,358	7,157	6,929	4,777	46,071
2008	6,143	5,833	5,629	7,379	7,258	6,725	5,931	6,232	8,030	6,921	5,553	4,605	76,239
2009	6,550	5,275	5,786	5,202	4,999	4,563	3,702	3,970	5,509	5,671	4,793	4,253	60,273
2010	4,795	4,071	5,011	5,155	4,271	4,516	4,557	4,469	6,465	6,143	6,425	3,860	59,738
2011	4,976	3,924	6,414	5,456	5,973	4,697	3,532	5,929	n/a	n/a	n/a	n/a	40,901

January-August 2010: 36,845

January-August 2011: 40,901

Whitney Wright operates Hope For Horses, a horse rescue in North Carolina. When asked about her take on the unwanted horse problem in the United States, she said, “It has definitely gotten worse. I mean honestly, before 2007, we never turned away a single horse. People were still opening up their farms and adopting horses. Now, the adoptions have slowed down and the unwanted horses have increased dramatically.”

Giving away the product for free is never a good sign for the market.

That’s one side of the gap. As for the other side, the market has remained fairly strong.

Beachfront property

Floyd Miller, a marketing expert and co-owner of Cottonwood Springs Ranch in Colorado and Oklahoma, breeds and sells a lot of cow- and reining-bred horses. He characterized the current performance horse market as “beachfront property,” likening the horse market to real estate. While there are a lot of mid- and lower-level residential properties for sale and not enough buyers to go around, there’s always a willing buyer for the best-of-the-best. If you’ve got property on the beach in Maui, it’s going to sell and probably sell big. If you’ve got a track home that needs repairs for sale in Phoenix, Ariz., it might take a while, and it’s probably going to go for less than it would have been in the heyday five or six years ago.

Likewise, if you’ve got a well-bred broodmare with a proven produce record, she’s a hot commodity. If you’ve got an unbroken, average-looking 4-year-old gelding, he’s not worth much in the current market.

The big difference between the horse market and the residential real estate market, however, is the pace at which they’re cleansing themselves. There are no government subsidies, backlogs of foreclosures and special programs to prop up horse owners underwater on their equine stock. The horse market has operated according to free-market principles, and from the sell-through percentage at recent performance horse sales, it looks as though the market could be finding an equilibrium for that level of horse – one that’s decently bred, has acceptable conformation and brings something positive to the catalog page. A lot of them don’t bring the kind of bids they would have commanded a few years ago, but at least there is some demand in the marketplace.

Look again at the above chart and you’ll notice that sellers pulled back during the 2008 fall sales, just after the recession hit. Like a deer looking into the lights of an oncoming car, sellers froze and hesitated. When bids fell short of expectations, they opted to take their horses home

and see what happened. But as the so-called “new reality” of the market settled in, sellers understood what to expect and proceeded accordingly. At the NCHA Summer Spectacular Sale in July 2011, results posted an amazing 91 percent sell-through rate. What’s more, the net average and net median were not that far off of the highs realized in the early- to mid-2000s. Buyers were also willing to shell out six-figures for the best. Here’s a look at the NCHA Summer Spectacular Sale history 2005-2011.

Year	Con.	Gross Sales	Gross Avg.	# Sold	% Sold	Net Sales	Net Average	Median	High Seller
2011	251	\$2,770,250	\$11,037	229	91%	\$2,392,950	\$10,450	\$6,700	\$230,000
2010	116	\$1,817,500	\$15,668	98	84%	\$1,326,900	\$13,540	\$7,650	\$220,000
2009	218	\$2,205,900	\$10,119	191	88%	\$1,942,600	\$10,171	\$5,700	\$81,000
2008	251	\$2,954,600	\$11,771	205	82%	\$2,209,200	\$10,777	\$8,200	\$130,000
2007	435	\$4,835,300	\$11,116	341	79%	\$3,571,500	\$10,474	\$6,500	\$225,000
2006	414	\$5,476,200	\$13,228	341	82%	\$4,239,200	\$12,432	\$8,000	\$220,000
2005	404	\$6,857,900	\$16,975	305	75%	\$4,595,250	\$15,066	\$8,500	\$250,000

As for how the various sectors of the performance horse market have responded in the three years since 2008, there has been a strengthening for the certain and a weakening for the unknown. Mares with the three P’s – pedigree, performance and produce – are still commanding top dollar at the major sales. Now, that being said, buyers are demanding the whole meal deal. Those mares must have it all plus be bred back to top stallions or sold with solidly bred foals/embryos.

For instance, at the 2010 NCHA Futurity Sale, Jazzys Pep Talk (Peptoboonsmal x Jazzy Dry x Dry Doc), a 2001 mare who sold to Canadian buyers for \$215,000 in the Western Bloodstock Invitational Mare sale. She was sold with three High Brow Cat embryos and was bred back to One Time Pepto. The second-highest seller at the 2010 NCHA Futurity Sale was Shes Icing Onthe Cat (High Brow Cat x Smart Lucinda Lena x Smart Little Lena), a 2003 red roan mare who was bred back to One Time Pepto and sold with two embryos by Dual Rey. It’s interesting to track this mare’s record at the public cutting sales: She sold the first time in the 2003 NCHA Primetime sale for \$27,000 and then as a 4-year-old in the 2007 NCHA Preferred Breeders Sale for \$500,000.

Shes Icing Onthe Cat perhaps best represents the state of the American performance horse market. She’s a solid commodity that still brings top dollar. But that dollar amount is a little more conservative than it was during the high-flying times of a few years ago.

Below you can see how the various groups of horses fared at the NCHA Futurity Sales over the past few years. These trends are representative of what's happening across the performance horse market.

2010

Age Group	Con.	Gross Sales	Gross Avg.	# Sold	% Sold	Net Sales	Net Avg.	Median
Broodmares	106	\$2,687,450	\$25,353	87	82%	\$2,161,150	\$24,841	\$13,000
Weanlings	23	\$315,800	\$13,730	18	78%	\$290,400	\$16,133	\$12,250
Yearlings	458	\$6,797,800	\$14,842	391	85%	\$4,961,700	\$12,690	\$7,700
2-Year-Olds	185	\$2,899,400	\$15,672	128	69%	\$1,630,100	\$12,735	\$6,500
3-Year-Olds	48	\$511,950	\$10,666	39	81%	\$332,450	\$8,524	\$6,000
4-Year-Olds	71	\$1,009,000	\$14,211	57	80%	\$669,700	\$11,749	\$8,500
5-Year-Olds	37	\$740,600	\$20,016	29	78%	\$602,400	\$20,772	\$17,500
6-Year-Olds	24	\$702,600	\$29,275	16	67%	\$310,400	\$19,400	\$13,100
7/and Over-Year-Olds	36	\$553,800	\$15,383	24	67%	\$342,600	\$14,275	\$10,000

2009

Age Group	Con.	Gross Sales	Gross Avg.	# Sold	% Sold	Net Sales	Net Avg.	Median
Broodmares	86	\$1,731,300	\$20,131	70	81%	\$1,352,300	\$19,319	\$12,000
Weanlings	7	\$35,600	\$5,086	2	29%	\$8,000	\$4,000	\$4,000
Yearlings	502	\$6,516,000	\$12,980	411	82%	\$4,521,100	\$11,000	\$6,400
2-Year-Olds	198	\$2,974,100	\$15,021	146	74%	\$2,180,800	\$14,937	\$7,500
3-Year-Olds	41	\$509,100	\$12,417	33	80%	\$352,600	\$10,685	\$6,500
4-Year-Olds	48	\$762,500	\$15,885	40	83%	\$640,500	\$16,013	\$9,250
5-Year-Olds	31	\$608,100	\$19,616	24	77%	\$491,600	\$20,483	\$17,000
6-Year-Olds	30	\$519,700	\$17,323	26	87%	\$364,200	\$14,008	\$11,750
7/and Over-Year-Olds	37	\$554,200	\$14,978	27	73%	\$405,000	\$15,000	\$12,000

2008

Age Group	Con.	Gross Sales	Gross Avg.	# Sold	% Sold	Net Sales	Net Avg.	Median
Broodmares	185	\$5,511,200	\$29,790	130	70%	\$2,754,300	\$21,187	\$10,000
Weanlings	38	\$385,100	\$10,134	37	97%	\$265,100	\$7,165	\$6,000
Yearlings	760	\$10,637,800	\$13,997	607	80%	\$7,299,800	\$12,026	\$6,000
2-Year-Olds	261	\$3,942,900	\$15,107	190	73%	\$2,500,100	\$13,158	\$6,000
3-Year-Olds	43	\$326,600	\$7,595	30	70%	\$174,900	\$5,830	\$5,500
4-Year-Olds	69	\$1,243,300	\$18,019	54	78%	\$1,071,200	\$19,837	\$10,500
5-Year-Olds	28	\$508,600	\$18,164	20	71%	\$282,100	\$14,105	\$12,200
6-Year-Olds	20	\$587,000	\$29,350	15	75%	\$283,200	\$18,880	\$13,200
7/and Over-Year-Olds	52	\$1,037,800	\$19,958	35	67%	\$686,700	\$19,620	\$9,000

2007

Age Group	Con.	Gross Sales	Gross Avg.	# Sold	% Sold	Net Sales	Net Avg.	Median
Broodmares	164	\$4,729,300	\$28,837	136	83%	\$3,877,000	\$28,507	\$14,500
Weanlings	27	\$355,500	\$13,167	21	78%	\$185,500	\$8,833	\$5,500

Yearlings	655	\$14,225,900	\$21,719	556	85%	\$10,980,800	\$19,750	\$10,000
2-Year-Olds	203	\$4,266,500	\$21,017	147	72%	\$2,774,800	\$18,876	\$9,000
3-Year-Olds	27	\$280,800	\$10,400	24	89%	\$238,300	\$9,929	\$8,500
4-Year-Olds	48	\$1,099,050	\$22,897	41	85%	\$847,050	\$20,660	\$18,000
5-Year-Olds	42	\$1,585,200	\$37,743	36	86%	\$1,475,200	\$40,978	\$19,250
6-Year-Olds	35	\$726,400	\$20,754	25	71%	\$456,900	\$18,276	\$17,500
7/and Over-Year-Olds	51	\$1,017,400	\$19,949	40	78%	\$780,900	\$19,523	\$15,250

2006

Age Group	Con.	Gross Sales	Gross Avg.	# Sold	% Sold	Net Sales	Net Avg.	Median
Broodmares	135	\$2,905,700	\$21,524	112	83%	\$2,349,900	\$20,981	\$15,000
Weanlings	35	\$1,088,700	\$31,106	32	91%	\$1,069,200	\$33,413	\$6,600
Yearlings	545	\$10,821,900	\$19,857	483	89%	\$9,225,500	\$19,100	\$10,000
2-Year-Olds	210	\$4,867,650	\$23,179	144	69%	\$3,399,550	\$23,608	\$14,000
3-Year-Olds	30	\$352,200	\$11,740	26	87%	\$248,500	\$9,558	\$9,350
4-Year-Olds	42	\$878,600	\$20,919	36	86%	\$756,400	\$21,011	\$16,000
5-Year-Olds	40	\$1,084,500	\$27,113	32	80%	\$767,500	\$23,984	\$15,750
6-Year-Olds	20	\$784,400	\$39,220	16	80%	\$647,900	\$40,494	\$19,100
7/and Over-Year-Olds	65	\$2,147,700	\$33,042	54	83%	\$1,578,500	\$29,231	\$13,000

Six or seven years ago, the NCHA Futurity Sales drew record crowds. Attendance waned a little in 2008 and 2009 but came roaring back in 2010. Some of the appeal has to be credited to some of the standout consignments that people are interested to see – call it celebrity appeal. Crowd size was impressive at the two Western Bloodstock Invitational sales and the last session of the NCHA Preferred Breeders sale at the 2010 NCHA Futurity.

“That’s the biggest crowds at the sales that I’ve seen in several years – even going back to 2006 and 2007,” said Milt Bradford, co-owner of Western Bloodstock.

James Eakin has bred and sold top-shelf cutting horses for more than four decades. Eakin was co-owner with Bob Wendel on the colt, Sweet Little Cats, who topped the 2010 Western Bloodstock Invitational Yearlings sale at \$120,000. Eakin’s experience at the 2010 NCHA Futurity sales was like a small slice of the entire market – his best horses sold for good prices and his lesser-quality offerings ended up on the bargain table.

“I sold some colts and made money. I sold some colts and lost money,” he said plainly. “The ones that lost money were the lower-end ones. I’m not breeding those colts now.”

Eakin is representative of many breeders who have pared down their breeding programs. Take a look at the following numbers of foals registered by the American Quarter Horse Association.

YEAR # OF ET FOALS TOTAL NUMBER OF REGISTRATIONS

1980	0	137,090
1981	1	148,785
1982	3	155,401
1983	2	168,346
1984	20	169,675
1985	32	157,360
1986	98	153,773
1987	133	147,007
1988	144	128,352
1989	111	123,294
1990	82	110,597
1991	134	101,394
1992	151	102,794
1993	143	104,876
1994	144	105,017
1995	189	107,332
1996	265	108,604
1997	341	110,714
1998	453	125,308
1999	467	135,528
2000	550	145,936
2001	592	150,956
2002*	1,007	156,199
2003	1,651	160,980
2004	1,932	164,444
2005	3,107	165,057
2006	3,626	165,114
2007	4,069	135,787
2008	5,036	135,924
2009	4,761	112,005
2010	4,838	100,322

* 2002 embryo transfer rule change allowed for the registration of multiple foals from a mare in any year.

Fewer registrations mean there is less of the final product to go around. Granted, owners of the most elite mares can justify spending money to pay big stud fees and transfer embryos. But overall, there are fewer young horses available. The horse business is following the basic law of supply and demand.

Where that leads ... time will tell.