

Of the mare owners taking advantage of the 'multiple foals' rule, most only produce two foals per year.

*The impact the 'multiple foals' rule change has had on our industry — so far.*

**By Christine Hamilton**

# Is the Sky Falling?

CHRISTINE HAMILTON

BACK IN 2003, IT WAS ANYONE'S GUESS WHAT WOULD HAPPEN. As of January 1 of that year, AQHA rules would allow a mare to have more than one registered foal per year, pending parentage verification.

Immediately, AQHA saw a 41 percent increase in embryo transfer enrollments: In 2002, 1,849 mares had embryo transfer enrollments filed; for 2003, there were 2,614. By the end of the breeding season, facilities offering embryo transfer services testified to a surge in business. Royal Vista Southwest in Purcell, Oklahoma, reported a 50 percent increase in transfers performed. (See "Gale Force Wind or Gentle Zephyr," February 2004, *The Journal*, pg 92, or online at [www.aqbajournal.com](http://www.aqbajournal.com).)

There were all sorts of questions on how the "multiple foals" rule would affect the industry.

Now it's 2008, and we are five years and four foal crops down the road, with another on the way. A high of 3,821 mares had embryo transfer enrollments filed with AQHA in 2007.

The big question is: What has happened, so far?

## AQHA Numbers

AQHA NUMBERS HAVE ESTABLISHED A FEW FACTS.

Embryo transfer produces a small number of the total AQHA foals registered. For example, in 2004 there were 2,692 registered foals produced via embryo transfer (from 2003 breedings). That is 1.6 percent of the total 160,442 foals registered with 2004 foaling dates. And not all of those were multiples — mare owners also use embryo transfer to produce one foal because a mare cannot (or they don't want her to) carry her own.

Although embryo transfer does not always result in a "standing and nursing" foal, more mare owners are producing multiples out of their mares. Prior to 2003, the number of mares enrolled with AQHA for embryo transfer was always higher than the number of resulting foals registered. Every year since and including 2003 (to date), there have been more resulting foals registered than there were mares enrolled in embryo transfer the previous breeding season. Case in point: 3,426 mares enrolled in embryo transfer in

2005 produced 3,821 registered foals in 2006.

However, most mares that do produce more than one foal in a year typically only have two. Of the total sets of multiple foals registered thus far, 79 percent were sets of two. (See “Multiple Foal Production” side bar.)

“The number of mares producing foals by embryo transfer is increasing, but not in large numbers,” said AQHA Senior Manager of Registration Tammy Canida. “While some owners have produced more, the majority are choosing to produce just two foals in a year.”

## The Markets Overall

HOW HAVE THOSE NUMBERS TRANSLATED INTO THE OPEN QUARTER Horse market?

“Embryo transfer and multiple foals is ‘old hat’ to cutters,” said Jim Ware of Western Bloodstock, a leading cutting horse sale company in Weatherford, Texas.

Historically the largest incidence of multiple foals sold at public auction has appeared in the cutting industry. Because unregistered horses can compete in National Cutting Horse Association, cutting breeders have produced multiple foals out of Quarter Horse mares for years, using a DNA registry to establish parentage. Since the 2003 rule change, many breeders have retroactively registered their older DNA horses with AQHA.

Racing has quickly established itself as a close second to cutting in number of multiple foals. According to Jeff Tebow, general manager of Heritage Place, a leading racehorse auction house in Oklahoma City, for many breeders “(multiple foals) has just become part of the economic business model now.”

The western pleasure and show horse sales “really haven’t seen a lot of them,” according to Mike Jennings of Professional Auction Services Inc. of Berryville, Virginia, auction company for top sales nationwide, including the AQHA World Championship Show Sale.

As a whole, sales companies have not tracked the averages and incidence of multiple foals as a distinct group, but they have seen trends.

“Overall, I can’t say it has hurt anything financially, so

far,” said Robin Glenn of Robin Glenn Pedigrees Inc., equine marketer and sale catalog publisher out of El Reno, Oklahoma. “The sales have been tremendous, and overall sales averages are up.”

Ware agreed, specifically regarding the cutting market. “Originally I was opposed to (the rule change),” he said. “But it has not created the negative impact in this business that I thought it would.”

“The thought that breeders were just going to flood the market with colts, that we’d have too many of them and the value of them would greatly decrease – in our top end (cutting) horses, that just hasn’t happened.”

If you look down a list of mares producing multiple foals in any discipline, you’ll find that most of them are household names as performers and/or producers. Their typically higher-priced foals can better offset the added cost of multiple embryo transfers.

In the cutting industry, Ware has seen that trend benefit young stallions that are proven performers but unproven as sires. When a top mare could have only one registered foal a year, she went to a proven stallion; now

mare owners are also sending her to stallion prospects.

“The rule change has really helped to jump start the siring careers of some young show stallions,” Ware said.

He pointed to Western Bloodstock’s “New Sire Spotlight” session at the NCHA Futurity Sales, for selected yearlings by stallions with foals 3 and under.

“If you look at the quality of mares those young sires bred, you get a snapshot of what I’m talking about,” he said.

“I do think (the cost of embryo transfer) makes it harder for a smaller breeder or a middle-income person to be a player at the top end of the business,” Jennings said. “We might see a larger part of the high-end market will be owned by a smaller number of people who can afford those great mares and can do embryo transfer.”

On the other hand, there are more top pedigreed individuals available for the middle player to purchase, especially in unproven mares from good families. When a top mare produced only one foal a year, breeders often kept it; now those breeders are more likely to sell siblings.

### The Mare With Nine

**Miss Eye Paint has produced nine foals in one season – the highest number for any American Quarter Horse mare so far. Race-bred herself, those foals are by racing, barrel and cutting stallions.**

**Want the inside story? *The Journal* captured an interview with her owners, exclusively for subscribers at [www.aqhajournal.com](http://www.aqhajournal.com).**

A herd of “recipient” mares. Surrogate dams allow a mare to have more than one foal in a year.



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Most sales companies have seen an increase in multiple foals offered at public auction since the 2003 rule change but no ill effects in the overall horse market due to it.

Jennings also thinks there will be more middle-income people who will buy the best mare they can afford to show or race and take advantage of embryo transfer to also produce foals out of her.

"We're a little young yet in this market to see exactly what it's going to do," Jennings added.

### Breeding Fashionably

ALL OF THE SALES COMPANIES HAVE NOTICED AN INCREASED demand for fashionably bred horses at the top end, which has some alarming implications.

"If you look at the top cutting horse families and the western pleasure families and the racing families, all of them – they are basically the same pedigrees over and over and over," Glenn pointed out. "It's almost the same mare families, just rearranged."

The drive to produce horses from proven pedigrees has greatly reduced the incentive for breeders to try outcross blood or pedigrees with unproven performance records.

"I thought there would be more people breeding top-of-the-line mares to horses that might prove to be an outcross," Ware said. "In my opinion, any good outcross horse that (cutting) has ever had has come from racing, like Doc Bar.

"I've been disappointed that more people haven't (used the multiple foal rule) to breed to horses that might prove to be an outcross."

Glenn pointed out legendary cutting horseman Shorty Freeman's belief in Bar Socks Babe, a 1966 mare by Bar El Do and out of Dusty Socks by Gold King Bailey, who

## SIGNIFICANT TRENDS

Here are some trends that industry experts have noticed in the horse market related to the multiple foals rule change.

**Increased value for top mares.** "It has increased the value of a good mare," Ware said. "I know that we are seeing more multiples out of better mares."

He pointed out that breeders are making the most out of top mares by breeding to top stallions and then also to younger horses – proven performers that are unproven as sires. Often breeders will flush an embryo and then let the mare carry a foal.

**Reduction in the overall incidence of multiple foals.** "We are seeing fewer multiples from mares that are more marginal," Ware said.

Jennings pointed out that the incidence of multiple foals is self-limiting to a degree, due to the added cost of performing embryo transfer and maintaining a recipient mare, on top of stallion service fees and mare care.

"Not everyone is going to try multiple embryos because a few years into it they find that certain stallions and mares aren't going to bear any kind of chance for profit using it," Jennings said. "And they're better off letting a mare carry her own."

**Decreased value for a moderate mare.** "The moderate pedigree is cheaper," Glenn said, "because there are more really good ones available."

Ware agreed: "Has it hurt the value of an unproven mare? Yes, unless she's out of a dam that is a household name. It has created a more broad line between what's a top-end mare and what's not."

**Improved stock quality.** "I don't care what segment of the market it is – reining, cutting, western pleasure, halter, racing – there are more well-bred horses available now than there were 10 years ago," Jennings said.

"Usually, those horses produced by embryo transfer are of decent enough quality to be useful for something, somewhere," he added. "There are always exceptions, but for the most part, if they didn't make great ones, they made pretty nice ones for some purpose."

**Increased public demand for quality.** Ware thinks the multiple foals rule will cause an increasing demand for better stock. He pointed out that in any discipline, there is a significant cost in developing a prospect that might or might not be competitive.

"The odds are more in your favor not to fail if you have a prospect that is by a proven sire or a young sire that was an extremely good performer and out of a proven mare or a mare that was an extremely good show mare," Ware said.

Multiples have increased the supply of those top individuals. Ware thinks the public is more critical of those individuals.

"If you have two or three out of a mare in a given year, you're usually going to have one that is a lot better than the other," he said. "In our business, people are more conformation conscious than ever before. If you have three identically bred siblings, they're going to pick the best-made colt. And give more money – sometimes a lot more."

Jennings agreed: "A horse with a really good pedigree gets on the shopping list, but the individual has still got to measure up when they get there."

had no performance record. She eventually established a cutting family with a multigenerational influence through such individuals as her daughter Lenaette and son Travalena. According to Glenn's database, her daughters, granddaughters and great-granddaughters have produced the earners of more than \$5.7 million.

"She was just a little mare, and Shorty just liked her," Glenn said. "He took her home and started breeding her, and now she's a legend.

"When you have a proliferation of great, fashionable pedigrees, a little, unproven mare like that is not going to get her chance to provide outcross breeding that might have really worked.

"There are still surprises left in this breed," Glenn continued, referring to unproven bloodlines with top performance potential. "Yet those kinds of pedigrees aren't even getting a look because there are so many of the fashionable bloodlines available."

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Loading an equine embryo into a transfer straw. The first Quarter Horse foal produced using embryo transfer was born in 1980.

## Market Rules

THE RULES OF THE MARKETPLACE STILL APPLY: SALE PRICES ARE affected by supply and demand along with the quality of the product.

"There's only so much demand for any yearling," Tebow said. "If we have an increased supply of those of a certain bloodline without having the demand to go with it, the value of those horses has to come down. It's the simple law of supply and demand."

Jennings agreed.

"If someone has a great mare, the only person they hurt is themselves if they flood the market with foals," he said. "And people don't have to be in this business very long before they become very particular about the structure and quality of an individual, regardless of pedigree."

# MULTIPLE FOAL PRODUCTION

**How many foals are mares typically having under the multiple foals rule?**

**According to AQHA registration records there have been 4,426\* sets of multiple foals born, all foaling years combined. (A mare is counted for each set of multiple foals she produced.)**

**In that number, there were -**

- 3,491 sets of two foals
- 738 sets of three
- 159 sets of four
- 27 sets of five
- 8 sets of six
- 2 sets of seven
- 1 set of nine foals.

**Those 4,426 sets represent 10,038 registered foals, or an average of 2.23 foals per set. The majority of mares only produce 2 foals per year under the multiple foals rule.**

*\*These numbers are as of December 17, 2007.*

Has the sky fallen in the horse market due to the multiple foals rule? No, but procedures such as embryo transfer have influenced the market and will continue to do so.

"The total numbers that affect the horse industry are much broader than the people using embryo transfer at the top end of the racing and performance disciplines," Jennings said. He pointed to larger issues such as the effective end, at this time, of horse processing in the United States and the loss of a bottom horse price.

"People need to pay attention to what they are crossing, not just the pedigree but the quality of the individual," Glenn said. "Are they conformationally sound?"

Although racehorses and hunters often use Thoroughbred blood, Glenn thinks every Quarter Horse discipline needs to look for outcross blood.

"We are linebreeding and inbreeding horses in a breed that was linebred in its creation," Glenn said. "No one's going to steward this breed but us.

"We need people who will take a chance in this business on good individuals with pedigrees that are not just fashionable." ❏

*Christine Hamilton is a field editor for The American Quarter Horse Journal. To comment, write to [chamilton@aqha.org](mailto:chamilton@aqha.org).*

## The Rule

**Prior to 2003, AQHA rules allowed a mare to register only one foal per calendar year, except in circumstances such as a mare that carried and foaled twins.**

**Beginning with the 2003 breeding season - and acting retroactively - AQHA rules now permit a mare to produce more than one registered foal per year, subject to parentage verification. It's made possible by procedures such as embryo transfer or oocyte transfer that use surrogate mares to carry the foals.**

**For more information, read Rule No. 212 Embryo/Oocyte Transfer in the 2008 AQHA Official Handbook of Rules and Regulations, or online at [www.aqha.com](http://www.aqha.com).**