

## Improving the Bottom Line for Small Breeders

At one time, "build it, and they will come" was the motto for breeding and selling Warmbloods, Iberians and other sport horses. Today most of the small breeding operations in North America struggle to financially operate "in the black" or break even. Reasons for this range from a downturned economy with too much supply and not enough demand to a lack of quality offspring or poor marketing. Four years of a sluggish economy has taken its toll on all breeders, and small breeders (those producing five foals or less per year) seem to be the hardest hit. Many of them are re-evaluating their business plans and looking for new ideas to help their businesses thrive. I found a group of small breeders (like myself) who are succeeding in spite of the odds, and here are some of the ideas and advice we have to share.

### Minimize Costs

One of the keys to surviving a slow economy is to reduce your expenses. You may have to be creative, physically work harder or sacrifice a few luxuries, but it can also keep your breeding business from going in the red.

Seigi Belz-Fry has been breeding Warmbloods for almost three decades and owns and runs Stall Europa in Waterford, Virginia. "I hear some small breeders say, 'I need this, and this and this' talking about hiring stall muckers and grooms and farm help," says Siegi. "No you don't! It may sound harsh, but I say, work harder and save your money. You can do a lot of the labor yourself. I'm the chief cook and bottle washer here. You've got to be willing to sacrifice and you can't be a princess."

Anissa Cottongim owns and runs Emerald Acres in Alford, Florida. She agrees keeping costs down is crucial to breaking even with her breeding program. She is able to keep her expenses down by having her own farm and no barn help. She's also learned to do her own vaccinations and inseminate her own mares in order to save money.

People are usually shocked to learn I lived in a tiny apartment in my barn for nearly five years while I invested every penny into my farm to build my breeding program. But the sacrifice paid off in the long run, and I don't regret a second of it. The consensus among successful small breeders is that breeding is a hands-on, daily dose of hard work, unless you're wealthy and aren't worried about profitability.

### Evaluate your Mares

Every good breeder agrees on the importance of quality broodmares. Terry Schrubbs and his family have been breeding Warmbloods for seven years at their Page Brook Farms in Hollis, New



Seigi Belz-Fry

▲ Stall Europa's CosmoS.E. (by Sir Donnerhall) and his dam, Natuur.

Hampshire. "In real estate it's 'location, location, location,' and with breeding it's 'broodmares, broodmares, broodmares,'" he comments.

Breeders must be willing and able to evaluate their mares and foals honestly. There is no shame in culling a mare from a breeding program. One breeder's cull may become another breeder's best broodmare. And mares which aren't suitable for breeding may still find useful careers as riding horses. Marion O'Connor owns and runs Cocolalla Creek Sport Horses in Idaho and is fairly blunt when it comes to broodmares. "If you have five mediocre mares, sell all of them. Use the money to buy one nice mare instead," she advises.

Siegi, who was the KWPN's Breeder of the Year in 2007, echoes similar remarks. "My first advice to breeders is to buy the best possible mares, even if it means you can only afford to buy one or two of them at first."

Quality broodmares can be expensive. "If you can't afford the quality you want, you may want to consider buying older mares," Siegi continues. She also suggests mentoring and making connections with experienced breeders, as you may find opportunities to acquire quality mares which aren't being offered for sale to the general public. This economy has also made it easier and less expensive than ever before to acquire a nice broodmare, especially an older one.

Marion offers another perspective as she prefers to buy younger mares. "By buying younger mares you can get a couple of foals from them and then later sell the mares either to another breeder, or if they don't work out as broodmares they are young enough to go on to a career as riding horses," she notes.



▲ Anissa Cottongim and her mare, Emerald Fire (Oskar II \*Pg\* o/o Encore by Frankly Diplomatic xx)

It is also common for breeders to keep the nicer fillies from their own breeding programs, sometimes selling their dams instead. Now could be a great time to evaluate your fillies and see if you've got one you'd like to keep, and it could also be a great time to pick up a nice proven mare from a breeder who has chosen to sell her in favor of keeping her daughter.

I've used all three approaches in my own breeding program, having purchased broodmare prospects as young as weanlings and as old as teenagers, and I recently sold a proven broodmare and kept her filly as her replacement. Whichever approach you take, the role of the mare is undeniably important and these options can help breeders acquire the nicest mares possible without going broke in the process.

### Multiple Sources of Income

Many successful breeders are active in more than one aspect of the horse industry. Marion, for example, became more involved with training as her breeding business slowed. This was a win-win for her as she was able to save money by starting her own young horses and she was able to make up for lost breeding income with training income.

Working and staying active in multiple aspects of the horse industry can also help keep a breeder informed and alert to new opportunities. In addition to breeding, I also do training, lessons, stallion campaigning, writing, appraisals and I have an active role in a horse registry. This way when one area of the business is slow I can pick up the slack in another area. I also feel like it helps me stay informed on a myriad of aspects of the horse industry. It's important to stay in tune with the market and avoid the dreaded "barn blindness" (thinking your horses are nicer than they really are).

### Reach Out to Fellow Breeders

New or struggling breeders may also find it helpful to reach out

to more established, successful breeders. Don't be afraid to ask for help or advice! Most breeders I know (myself included) are happy to share their knowledge and offer advice. Sometimes input from another breeder can be invaluable. They may be able to look at your website and recommend a few tweaks which could make a huge difference. Or they may be able to look at your mares and recommend which ones to breed and which ones you may want to consider culling. They might even suggest new and different stallions which might be producing more marketable offspring. Perhaps your foals are overpriced and a more experienced and unbiased breeder can help nudge you in a more realistic direction.

### Breed Less, Breed Better

A slow economy and lower market demand means breeders can also no longer afford to breed just for the sake of breeding. "There is no more market for mediocre—those days are over," Marion remarks. Her biggest piece of advice to breeders is to breed less and breed better. The old truism "quality over quantity" applies now more than ever. "It's simple economics," she says. "We have too much supply and not enough demand, and the market for mediocre horses has been hurt most of all. Breeders shouldn't be ashamed to cut back and only breed their best mares."

Some breeders are finding themselves with increasing numbers of young horses in their barns, as a few years of slow sales begins to catch up with them. Yesterday's weanling is suddenly now old enough to be started under saddle. This can be a good



Courtesy Marion O'Connor

▲ Marion O'Connor and the Hanoverian Hochkarat, her foundation mare, competition partner and soulmate.

On the flipside, many breeders choose to gamble when it comes to insurance, having minimal coverage (or no coverage at all) for their breeding stock. Some have weighed the likelihood of a death or expensive injury versus the cost of insurance and they feel they're better off saving the money they'd have spent on insurance. And then there are breeders like myself—I've been insuring my horses for twenty-two years and I've luckily never had a claim. I could have bought a couple of nice broodmares for what I've spent on insurance premiums! Yet having peace of mind has been worth the investment.

### Final Thoughts

Sometimes there are ways to measure success beyond the financial aspects. Anissa says her horses and foals are a priceless stress reliever. "I have a very high stress job and I can feel my blood pressure lowering when I work with the horses. There is a joy in watching a baby being born that's incomparable. There's also a thrill in watching a horse I bred and raised compete for the first time."

Siegi also adds that she's made many, many good friends thanks to raising and selling horses, which is something money can't buy. "I'm always meeting and getting to know new people," she says. "The people who buy my horses become my friends."

The good news for breeders is that we may soon begin to experience a shortage of good horses which will change the balance of supply and demand. Marion feels we may begin to see

this as soon as this year, because of the number of breeders who began cutting back in 2009 and 2010. Some breeders have cut production by half or more in the last few years.

So now is the time to re-evaluate your broodmare herd, invest in some training for your youngsters, polish up your advertising and re-vamp your website. You may find yourself in a great position to improve your bottom line as the sport horse market begins to turn around! **WT**

Carrie Simmons



### About the author:

Gigha Steinman is an FEI level dressage trainer who each year breeds two to three Friesian Sporthorses at her River Oaks Farm

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[www.RiverOaksFarm.net](http://www.RiverOaksFarm.net)

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