

# IN UTERO

## An Interesting Option



By Gigha Steinman

Did you ever have the urge to breed a foal but were afraid to go through the process on your own? Was there a particular stallion you want a future star from, but can't find his progeny? Do you enjoy raising a youngster but don't want the commitment of owning your own broodmare? Perhaps buying a foal "in utero" is something to explore, as you may have noticed this intriguing offer appearing in some breeders' advertisements or on their websites.

**W**hile this may sound like a crazy gamble to some people, the practice of selling and buying foals in utero is slowly gaining popularity in the sport horse market. Here several breeders offer advice and share their experiences of both buying and selling in utero.

### The Basics

The basics of in utero sales are fairly universal, although individual contracts may vary. Selling a foal "in utero" means the buyer and seller agree to a purchase contract before a foal is born—the foal is literally still in the mare's womb. Some contracts may stipulate "colt only" or "filly only." In the case of a "colt only" specified contract, if a filly were to be born, the contract would be nullified. Some contracts may also have contingencies for color (such as a guarantee for a pinto foal or a dilute) but these are less common.

In utero contracts generally require a portion of the sales price be paid up front, ranging from as little as 15 percent to as much as 50 percent. The remainder of the money owed is normally due when the foal is born or before the buyer takes possession of the foal. These deposits are rarely refundable if the foal is born healthy. If the foal is aborted, born dead or is not healthy, this scenario is typically covered by a "live foal guarantee" in the purchase contract.

It is fairly common for in utero purchase contracts to include some form of a "live foal guarantee." Some of the live foal guarantees are literal—if the foal is born alive the contract remains in effect, whether or not the foal is healthy. Other live foal guarantees are more generous. Cheryl Johnson of Hidden Acres Farm in Michigan has been selling foals in utero for seven years. "We reassure our buyers by offering a live foal guarantee," she explains. "Our foals have a healthy foal check at 48 hours, performed by a veterinarian, similar to the exam an insurance company would require. If the foal is not healthy the buyer can opt to have their deposit completely refunded."

Once there is a contract in place to purchase a foal in utero, some insurance companies will provide "prospective foal insurance" or "prospective foal coverage." The prerequisites vary depending on the company. The breeder may have to provide breeding records, vet certificates confirming pregnancy, copies of the in utero contract to verify the sale price and other paperwork. This type of insurance can be costly and complicated to obtain since it isn't common, but it is one option for breeders to consider if they are selling foals in utero.

### The Buyer's Perspective

Jan Marquardt of Walkabout Station in Texas and Jordan Hattaway of Hattaway Farms in North Carolina have both purchased foals in utero. Both were looking for specific bloodlines and couldn't find any foals for sale which fit what they were looking for.

In Jordan's case, she was specifically looking for a filly for the USEF Hunter Breeding classes. "I was looking for certain bloodlines when I came across the ad for an in utero foal," she recalls. "It was definitely scary and a huge risk but it was also less expensive, and the seller's contract was very fair and included a live foal guarantee and a 'filly only' option."

Jordan was happy with her in utero purchase experience with the breeder, Robbi Scott of Four Fillies Farm in Oklahoma. Jordan named her foal Red Sailor HF and adds that another advantage of buying in utero was that she was able



**Red Sailor HF (Redwine x Popeye K) purchased in utero. Owner Jordan Hattaway / Hattaway Farms.**

Robbi Scott / Four Fillies Farm

**“I try to always choose the best stallion for my mares, and that may not always be the popular stallion—but those are the foals people want to see on the ground first.”**



**Furst Class Riesling (Furst Impression x Feiner Stern) sold in utero by Maggie Neider / North Hill Farm.**

to select the new foal's name. “I would buy in utero again, and I know others who have done it and liked the results also,” she says.

Like Jordan, Jan was also looking for a filly with specific bloodlines. Her search led her to purchase a foal in utero in Germany, with a filly-only contract. “I wanted bloodlines not easily available in the U.S.,” she recounts. “I already knew the breeder but it was still a hard decision to buy a foal based 100 percent on the pedigree.”

### **The Seller's Perspective**

Maggie Neider has been breeding Warmbloods at her North Hill Farm in New York since 2008. She sold her first in utero foals in 2011. A self-described smaller breeder, Maggie admits, “One of the biggest advantages to selling in utero is knowing that we will not have to worry about keeping that foal through the winter since our space is somewhat limited. An additional benefit is the guaranteed cash flow at the time of year when we have the most expenses—foaling and breeding season.”

Many breeders share this perspective. Foaling and breeding season can be very expensive and there is always the risk that a foal won't sell, no matter how fancy his or her bloodlines. For this reason many breeders find it reassuring to have in utero purchase contracts on their foals before they are born, and many offer reduced prices on in utero foals to encourage these purchases.

Advertising foals for sale in utero can also give breeders an additional opportunity for valuable exposure for their farms and their breeding programs. “I see in utero advertising as an expansion of marketing,” remarks Cheryl Johnson. “It lets people know what type of horses I'm breeding and what I'm anticipating each year. Even if a person doesn't end up buying one of my foals, seeing them advertised in utero can let a buyer know what a breeder is expecting. A buyer may end up buying a newborn after she's tracked its in utero advertisements for months.”



Courtesy Cheryl Johnson



**Hidden Acres Farm's Royal Duchess (Rotspoon x His Highness), whose full sibling is due May 2014 and is sold in utero. She is also pictured with her dam Heiress (His Highness).**

Maggie agrees that in utero advertising helps build name recognition for her farm. “It promotes our name and our mares in the industry. We are very selective about the mares we take into our program and I think advertising in utero draws a little more attention to the mares than when you are advertising a foal already on the ground.”

The decisions for in utero purchases are made almost entirely based on pedigree, since there is no foal for the buyer to see or interact with. “I've noticed that what generates the most interest is the name recognition of the stallion,” Maggie adds. “Buyers recognize the name of a stallion who is either out there showing successfully himself, or has offspring out there showing successfully, or is well marketed and has generated name recognition that way. I've found that for the most part the foals we sell in utero are the ones that have a 'popular' sire with name recognition. I try to always choose the best stallion for my mares, and that may not always be the popular stallion—but those are the foals people want to see on the ground first.”

Selling foals in utero can have drawbacks for sellers.

“There is always the chance that you will sell something truly phenomenal that you might not have otherwise sold, or at a lower price than you might have gotten otherwise,” says Maggie.

Cheryl has had this experience firsthand. “I sold

one filly I loved,” she admits. “From the moment she was born and I saw she was a filly, I wished I'd kept her. I have to remind myself I'm a small farm and I want to stay that way, so I can't keep them all...” She's already sold one of her anticipated 2014 foals in utero, and she jokes that if it's a filly she will probably shed a few tears.

### **Custom Foals**

Another buying practice which is similar to in utero and is gaining popularity is the purchase of “custom foals.” Custom foal sales are similar in many ways to in utero sales. The biggest differ-

ence is that the buyer is able to choose which stallion a mare will be bred to beforehand.

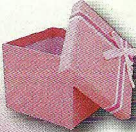
Jessica Lauzon owns and runs Autumn's Stables in Quebec. She prices her custom foals similar to her in utero foals



**Dalhousie EdA (Dauphin x Brentano II) custom filly bred by Jessica Lauzon / Autumn's Stables**

and includes a live foal guarantee. "The choice of the stallion is done together with the client—they usually have a list of stallions they like and we start from there," she says. She also retains the right to veto a stallion choice. "The stallion must be Hanoverian or GOV approved and he must be a good match for my mare, so in the end if a client backs out I will still have a nice foal."

Tricia Veley of First Flight Farm in Texas offers a variation on the custom foal theme. She has twelve mares but doesn't breed every one of them every year, so she's decided to make some of them available for breeding leases to produce cus-



tom foals. In this situation the person essentially does an on-farm lease and pays board and all expenses for the mare, and can then choose which stallion the mare will be bred to. "I just started offering this in 2013 and I've already have one mare reserved for 2014," according to Tricia. "I already offer breeding and foaling services and have a 24-hour staff, and nice mares, so this is a good opportunity for someone who doesn't have a mare of their own."

## A Few Words of Advice

Everyone interviewed unanimously agreed that whether you're the buyer or the seller, make certain you have a good contract that clearly outlines what is expected of all parties. It can also be a good idea to obtain references if you are buying a custom or an in utero foal. Proper care of the mare can influence the health and well-being of your foal, so you want to deal with experienced breeders. And because this involves a financial transaction over time, you should deal with reputable breeders.

If you aren't in a big rush or if your budget is a bit tight and there are particular bloodlines you desire, the decision to buy a foal in utero could be fun and interesting. Most still consider it a leap of faith since your new foal may not be exactly what you were hoping for. However, as Cheryl points out, "Buying a foal in utero can give someone the opportunity to get what they want before someone else buys it!" 