



MAKING YOUR BLOODSTOCK BUSINESS PAY

I.T.B.A. COST SURVEY

February 2013 (2)



Irish Thoroughbred Breeders' Association

Greenhills, Kill, County Kildare, Ireland.

Telephone: +353 (0)45 877543 Fax: +353 (0)45 877429

Email: info@itba.ie

MAKING YOUR BLOODSTOCK BUSINESS PAY ITBA COST SURVEY

The ITBA conducted a series of very successful Road Shows last summer with meetings held in each of Belfast, Kilkenny, Navan, Roscommon and Horse and Jockey. They were open meetings attended by breeders, both flat and National Hunt, which gave those in attendance an opportunity to discuss industry issues and concerns.

In addition to ITBA Manager Shane O'Dwyer, Chairman Joe Osborne and Vice Chairman Derek Icton the meetings included representatives from the Irish Equine Centre, Irish Thoroughbred Marketing and Weatherbys Ireland. Horse Racing Ireland CEO Brian Kavanagh travelled to the Belfast meeting.

There was a total of almost 250 breeders in attendance which gave us a great cross section of views. This was a first step in an ongoing dialogue with the breeding sector. It gave us a forum to establish our priorities moving forward.

The ITBA has established a Mare Owners' Committee under the chairmanship of Derek Icton and it has had a series of brainstorming sessions with mare owners since July. The outcome of the Road Show and the open mare owner meetings have been combined to set the panels and discussion topics for our seminar "Making Your Bloodstock Business Pay".

With the current economic situation breeders are ever more conscious of production costs and their impact on business viability. The issue of costs is a recurrent theme raised by breeders. A first step in tackling costs is identifying them. The following survey is based on input from ITBA members in all five regions and we are grateful for their cooperation in producing this report. We hope it will become an annual exercise which will give our members, and all Irish breeders, benchmarks against which they can compare their horse production costs. We acknowledge that there is scope to broaden and improve this Cost Survey in future years and we look forward to hearing your comments and suggestions as to how we can make this a better tool for you.

The results are based on averages from all regions so for all line items there are higher and lower numbers submitted. The averages should give you an indication of which costs can be trimmed through alternatives or negotiation.

These are difficult times for our country and the breeding sector has gone through a tough few years, but there is a strong sense of resilience and a belief that we have a solid foundation on which to rebuild in the coming years. We hope that the ideas and suggestions raised at our seminar and the ongoing work that your Association is doing helps in that rebuilding process.

February 18, 2013

VETERINARY, FARRIER & DENTIST COSTS

VETERINARY COSTS

Procedure	Average Cost
Visit Fee	€32.70
Visit Fee Out of hours	€49.78
Examine	€23.16
Inject Fee	€10.30
Scan Mare	€32.52
Pregnancy Exam	€33.39
Caslicks/Suture	€35.22
Irrigate/Flush Mare	€30.36
Swab Mare	€23.06
CEM incl. Lab Analysis	€47.11
CEM EVA EIA incl. Lab analysis	€92.16
Flu Tet Vaccine	€26.64
EHV 1, 4 Vaccine	€32.37
Rotavirus Vaccine	€40.00
ID DNA & Microchip	€57.29
Insurance Exam & Certify	€61.56
New Born Foal Exam (igG & Tetanus)	€40.19
Colic Exam	€50.69
X-Ray Fee (full set for sales)	€531.25

FARRIER COSTS

Procedure	Average Cost
Mare Four Feet Dress	€31.60
Foal/Yearling Four Feet Dress	€28.97
New Front Shoes Dress Hind	€47.18
Reset Front Shoes Dress Hind	€37.09
Four Shoes	€62.00
Examine Lamé Horse	€19.31

DENTIST CHARGE

Procedure	Average Cost
Float Teeth	€46.00

GENERAL COSTS

KEEP COSTS

	Average Cost
Barren/Maiden Mare	€20.05/day
Foaling Mare	€27.49/day
Foaling Fee	€320.45
Weanling/Yearling	€19.02/day
Sales Prep	€27.14/day

HAY & BEDDING COSTS

	Average Cost
Small Hay Bale	€3.73
Round Hay Bale	€29.50
Haylage	€38.27
Straw	€17.10
Wood Shavings (bale)	€7.35

FEED

Feed Type	Connolly's Red Mills			Gain		Pegus	
	Per Tonne	Per Bag	Per Kilo	Per Tonne	Per Kilo	Per Bag	Per Kilo
Foal Pellets	€644.00	€16.50	€0.64/€0.66	€567.00	€0.57	€12.00	€0.60
20% 20% 18%							
Stud Cubes	€529.00	€13.25	€0.53	€516.00	€0.52	€11.10	€0.55
14% 15% 14%							
Stud Mix	€550.00	-	€0.55	€610.00	€0.61	-	-
14% 15%							

TRANSPORT

(BASED ON SHARED LOAD AND EXCLUDING VAT AT 23%)

Per Mile	Per km	Newmarket	Doncaster	Deauville
€1.5 - €2.00		€400.00	€375.00	€755.00

HORSE DISPOSAL

	Average Cost
Horse disposal (including "fallen" animals) to approved knackery	€200.00

GENERAL COSTS

FENCING

2 Rail Poly	3 Rail Poly	3 Rail	4 Rail	Keep Safe	X-Fence (square)	NOTES
€22.70/m	€27.24/m	€21.85/m	€24.58/m	€25.76/m	€25.99/m	Installed Fencing
-	-	€12.24/m	€15.32/m	-	-	Price for rails only

FERTILISER

Type	2012 Prices
UREA	€ 450/tonne
CAN	€ 335/tonne
Pasture Sward	€ 430/tonne
Cut Sward	€ 434/tonne
10:10:20	€ 490/tonne
18:16:12	€ 435/tonne

OUTDOOR ARENA

	Per m2
Greenfield site build cost, without surface, incl. close board fencing	€35.22
Above with unwaxed surface	€34.02
Above with waxed surface	€62.70

MANAGING YOUR ELECTRICITY BILLS

Do you understand your electricity bills? Do you read your electricity meter(s) and monitor your bills (year versus year)?

- The first step to take is to set up a simple meter reading programme. This can be weekly or monthly. Use this data to check against your bills.

Do you know when Day and Night units apply?

- From October-March, Day units are measured from 08:00 to 23:00 - 15 hours of billing and Night units are measured from 23:00 to 08:00 - 9 hours of billing
- From April-September, Day units are from 09:00 to 00:00 and Night units are from 00:00 to 09:00.
- Night energy is typically half the cost of day energy so transfer as much as possible electricity use to night energy, such as ice making, battery charging, water heating

Are you incurring significant power factor/wattless power charges? Are any of the following listed on your electricity bill: low power factor surcharge/excess wattless charge? Is there is a monetary charge next to it on the bill? If so, you are incurring penalties that may be avoidable.

Ask your electrician three questions:

- Do we have a power factor correction unit/capacitor set?
- If we have one, is it working?
- If it is working, is it big enough?

Some quick wins can be found on the Sustainable Energy Authority of Ireland (SEAI) web site (www.seai.ie) and it includes a very helpful Energy Bill tracker tool (a Microsoft Excel spreadsheet). The spreadsheet tool enables you to:

1. Record your electricity, natural gas, LPG and oil consumption and costs from your bills for each month.
2. Calculate the associated greenhouse gases (GHGs).
3. Analyse your bills by breaking down the different cost elements in your tariff. Present the above in graphical format including breakdown between day/night, unit charges, standing charges etc.
4. Present a summary of your total annual energy consumption, costs and GHGs.
5. Trend Year on Year changes in consumption, costs & GHGs (by fuel type). Calculate and plot and trend Energy Performance Indicators (EPIs) for each fuel type (including electricity).

The tool automatically plots your energy use data. Keeping this spreadsheet updated will help you keep track of the energy costs in your facility, show you how you are doing compared to last year, and identify some of your cost reduction opportunities.

SALES ENTRY FEES

SALES

Sales Companies	Sale Date 2012	Entry-Fee	Late Entry Fee 2012	Vendor Commission Rates	Sale Avg. 2011	Sale Avg. 2012
DBS Spring Store	31-May	£440	£515	1.5%	£15,092	£15,100
Goffs Land Rover	13 -14 Jun	€600	€700	1.5%	€14,030	€14,957
Tattersalls Ire Derby	28 - 29 Jun	€800	-	1.5%	€31,586	€27,962
Tattersalls Ire Aug N/H	9 - 10 Aug	€300	-	1.5%	€4,904	€5,802
Arqana August	18 - 21 Aug	€1,250	€1,250	6%	€95,924	€98,249
DBS Premier	29 - 30 Aug	£790	£929	1.5%	£28,206	£26,862
DBS St Leger Festival	13 - 14 Sep	£550	£647	1.5%	£9,966	£9,046
Tattersalls Ire Sept	25 -26 Sep	€800	-	1.5%	€10,911	€11,650
Goffs Orby	3 - 4 Oct	€1,250	€1,500	1.5%	€61,544	€90,331
Goffs Sportman's	05-Oct	€600	€700	1.5%	€13,172	€17,193
Tatts Oct Bk1	9 - 12 Oct	£1,250	£1,250	5%	£141,852	£162,925
Tatts Oct Bk2	15 - 18 Oct	£1,250	£1,250	5%	£39,818	£39,390
Tatts Oct Bk3	19-Oct	£630	£630	5%	£8,361	£8,390
Goffs Open	25-Oct	€350	€400	1.5%	€8,249	€6,582
Tatts Dec Yrl	26-Nov	£850	£850	5%	£25,109	£21,529

Tattersalls Ireland offer a 10% reduction for on-line payments

THE THOROUGHBRED FOAL LEVY

The Thoroughbred Foal Levy was introduced in March 2000. It is a statutory levy on all thoroughbred foals registered in Ireland. Under Law all thoroughbred foals born in Ireland, requiring registration, must be registered in Ireland.

The scheme is administered by Horse Racing Ireland, the State body with responsibility for the thoroughbred sector. The scheme's purpose is to provide a secure financial footing for the breeding industry and its essential support structures. All funds collected are re-invested in the breeding industry. The Foal Levy Committee advises and makes recommendations to the Board of Horse Racing Ireland, following consultation with breeders, in relation to a programme of re-investment of the funds raised by the Thoroughbred Foal Levy.

The Statutory scheme requires the owner of each thoroughbred foal born in Ireland, requiring registration, to register in the General Stud Book through the offices of Weatherbys Ireland GSB Limited and pay at registration time a levy to Horse Racing Ireland. The actual levy payable is related to the generally applicable (advertised) nomination fee of the foal's sire in February of the year the mare was covered and varies between €35 (where the nomination fee is less than €1,001) and €650 (where the nomination fee is in excess of €30,001). Special deals do not apply in calculating the levy payable. See the following table for the Levy Rate Bands.

FOAL LEVY RATES - 2012 REGISTRATIONS

Nomination Fee Range	Foal Levy Rate Band	Levy per Foal
€0 to €1,000	A rate	€ 35
€1,001 to €2,500	B rate	€ 50
€2,501 to €5,000	C rate	€ 100
€5,001 to €7,500	D rate	€ 150
€7,501 to €10,000	E rate	€ 200
€10,001 to €12,500	F rate	€ 250
€12,501 to €15,000	G rate	€ 300
€15,001 to €17,500	H rate	€ 350
€17,501 to €22,500	I rate	€ 450
€22,501 to €30,000	J rate	€ 600
€30,001 +	K rate	€ 650
Pay Band Foreign	FOREIGN	€ 250

WEATHERBYS PRICE LIST 2012

PRICES

	BASIC	VAT 23%	TOTAL
Foal Registration (General Stud Book)			
Entries by 31.07	€107.32	€24.68	€132.00
Entries by 30.09	€286.99	€66.01	€353.00
Entries by 31.12	€420.33	€96.67	€517.00
Late Returns (incl. DNA) Yearling	€634.96	€146.04	€781.00
Late Returns (incl. DNA) 2.y.o.	€713.01	€163.99	€877.00
Late Returns (incl. DNA) 3.y.o.	€792.68	€182.32	€975.00
Late Returns (incl. DNA) 4.y.o. and Over	€1,185.37	€272.63	€1,458.00
Thoroughbred Mares			
Registration	€100.00	€23.00	€123.00
Change of Ownership	€46.34	€10.66	€57.00
Foal Share Agreements	€46.34	€10.66	€57.00
Stallions			
Initial Registration	€242.28	€55.72	€298.00
Annual Registration (Fee below €500)	€148.78	€34.22	€183.00
Annual Registration (Fee above €500)	€336.59	€77.41	€414.00
Annual Registration (1 - 5 Covering Certs Fee Below €500)	€74.39	€17.11	€91.50
Duplicates			
Foal Passport (Foaled in 1991 and thereafter)	€105.69	€24.31	€130.00
Pedigrees			
Catalogue Style Pedigree (Can take up to 2 days)	€56.91	€13.09	€70.00
Internet Pedigree	€21.95	€5.05	€27.00

AGRICULTURAL LAND PRICES REVIEW

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Province	County	Average Land Price (per acre)
Munster	Clare	€6,528
	Cork	€11,338
	Kerry	€10,903
	Limerick	€8,141
	Tipperary	€8,651
	Waterford	€8,512
Leinster	Carlow	€10,197
	Dublin	€11,565
	Kildare	€12,097
	Kilkenny	€10,582
	Laois	€9,136
	Longford	€7,552
	Louth	€11,680
	Meath	€8,991
	Offaly	€7,477
	Westmeath	€7,298
	Wexford	€10,185
	Wicklow	€9,286
Connacht	Galway	€7,904
	Leitrim	€4,483
	Mayo	€6,180
	Roscommon	€6,835
	Sligo	€6,682
Ulster	Antrim	£8,838 (€10,829)
	Armagh	£12,014 (€14,720)
	Cavan	€6,365
	Derry	£8,673 (€10,628)
	Donegal	€9,384
	Down	£9,973 (€12,219)
	Fermanagh	£7,783 (€9,538)
	Monaghan	€8,957
	Tyrone	£9,649 (€11,824)

BACKGROUND INFORMATION BY ANDREW NOLAN OF GOFFS COUNTRY ESTATES

- Land prices in Ireland from 2006 - 2011 have seen a 57% decrease in values, with the national average recorded for 2011 at €8,708 per acre. Prices ranged from €2,485 to €26,600 per acre.
- In counties Dublin, Meath and Kildare values have fallen from €35,000 per acre to an average of €11,500 per acre.
- In counties Tipperary, Limerick, Cork and Kilkenny from €24,000 to €11,062 per acre.
- The above counties are where the majority of thoroughbred breeding in Ireland takes place. They are all known for being rich in minerals and free draining limestone lands, which is one of the reasons Ireland, is such a powerful breeding region.
- In turn, at the height of the market stud farms were achieving up to €80,000 per acre. Whereas today ready made stud farms are trading anywhere between €17,000 and €27,000 per acre. These figures are for turnkey operation all located in suitable regions known for their association and suitability for bloodstock.
- From 2007 - 2011 transactions have significantly reduced, however Darley, Derrinstown and Coolmore have continued to increase their land banks and buying during this period.
- In general about 1% of agricultural land comes for sale each year with a lot of farms being farmed from generation to generation and never appearing on the open market. A significant price discrepancy is beginning to materialise between good land and marginal/wet land.

Tax structure

- There are significant savings to be made in acquiring property with changes to 1 - **Stamp Duty** (land tax) being reduced from 9% to 2% on all agricultural purchases and 2 - **Residential Tax** being reduced from 9% to 1% up to €1,000,000 and 2% above €1,000,000.
- In 2011 the government introduced a **Capital Gains Relief Scheme**. This relief benefits all properties that are bought and held in ownership for 7 years. Once disposed of after this period all uplift in values are exempt of capital gains tax. This in itself is a terrific incentive.
- Historically through times of recession the greatest return on investment has been seen in the larger land banks/stud farms.

Why invest in land now?

- Never has there been a better time to invest in Ireland with land prices now stabilized, 57% off peak and at affordable levels.
- A current Government that is supportive of the sector and one that realises the importance of the industry to the economy.
- Suitable tax structure, from acquisitions straight through to the running and management of a stud farm.
- Common Agricultural Policy to be reviewed in 2014 with entitlements set to continue across the agri sector.
- Favourable employment laws.
- From 1971 to 2011 average land prices in Ireland have increased 1,500% in value.

2013 STALLION FEES

Breeders should contact the relevant studs for confirmation of the following fees and payment terms:

Stallion	Stud	Fee
Acambaro	Clashmore Stud	On Application
Acclamation	Rathbarry	€35,000
Ahhsaylad	Bridge Stud	€1,000
Alfred Nobel	Coolmore	€4,000
Alhaarth	Derrinstown	€4,000
Approve	Morrinstown Lattin	€5,000
Arakan	Ballyhane	€3,500
Arcano	Derrinstown	€6,000
Art Connoisseur	Irish National Stud	€4,500
Ask	Coolmore	€2,500
Atlantic Waves	Woodlands	On Application
Azamour	Gilltown	€10,000
Baltic King	Tally-Ho Stud	€3,000
Beat Hollow	Ballylinch	€6,500
Beneficial	KnockHouse Stud	On Application
Big Bad Bob	Irish National Stud	€6,000
Blue Print	Knockboy House Stud	On Application
Born to Sea	Rathasker	€10,000
Bushranger	Tally-Ho Stud	€7,500
Byron	Woodlands Stud	On Application
Canford Cliffs	Coolmore	€17,500
Cape Cross	Kildangan	€35,000
Captain Rio	Ballyhane	€3,500
Casamento	Kildangan	€5,000
Caspar Netscher	Morrinstown Lattin	€7,500
Choisir	Coolmore	€10,000
City Honours	Bert House Stud	On Application
Classic Cliche	Kilbarry Lodge Stud	On Application
Cloudings	Old Road Stud	On Application
Court Cave	Boardsmill Stud	On Application
Court Masterpiece	Longford House	On Application

2013 STALLION FEES

Stallion	Stud	Fee
Courtship	Ballycrystal Stud	On Application
Curtain Time	Woodfield Farm Stud	On Application
Dalakhani	Gilltown	€25,000
Dandy Man	Ballyhane	€4,000
Danehill Dancer	Coolmore	€40,000
Dansant	Bridge Stud	On Application
Dark Angel	Morrinstown Lattin	€12,500
Darsi	Beechbrook Stud	On Application
Daylami	Coolgowan Stud	On Application
Double Eclipse	Deelside Stud	On Application
Doyen	Sunnyhill Stud	€3,000
Dragon Pulse	Irish National Stud	€6,000
Dream Ahead	Ballylinch	€17,500
Dubai Destination	Rathbarry Stud	€2,500
Duke of Marmalade	Coolmore	€12,500
Dylan Thomas	Coolmore	€10,000
Elnadim	Derrinstown	€5,000
Elusive Pimpernel	Islanmore Stud	€1,000
Elzaam	Ballyhane	€4,000
Excelebration	Coolmore	€22,500
Fame and Glory	Coolmore	€5,000
Famous Name	Irish National Stud	€4,000
Fast Company	Rathasker	€5,000
Fastnet Rock	Coolmore	Private
Flemensfirth	The Beeches Stud	€10,000
Footstepsinthesand	Coolmore	€10,000
Fracas	Chaermorris Stables	€2,000
Frozen Power	Ballyhane	€4,000
Frozen Fire	Coolagown	€3,000
Fruits of Love	Annshoon Stud	On Application
Galileo	Coolmore	Private

2013 STALLION FEES

Stallion	Stud	Fee
Gamut	Sunnyhill Stud	On Application
Garuda	Kilbarry Lodge Stud	On Application
Germany	Woodlands Stud	€3,000
Getaway	Coolmore	€3,500
Golan	Grange Stud	€2,000
Gold Mark	Ballycrystal Stud	On Application
Gold Well	Coolmore	€5,000
Golden Tornado	Gurteen Stud	On Application
Grandera	Woodlands	€4,000
Haatef	Derrinstown	€3,000
Helmet	Kildangan	€10,000
Henrythenavigator	Coolmore	€30,000
High Chaparral	Coolmore	€25,000
Holy Roman Emperor	Coolmore	€20,000
Iffraaj	Kildangan	€10,000
Intense Focus	Ballylinch	€5,500
Intikhab	Derrinstown	€5,500
Invincible Spirit	Irish National Stud	€65,000
Jeremy	Irish National Stud	€6,000
Jamaal	Hamford Stud	€1,000
Kalanisi	Boardsmill Stud	On Application
King Cheetah	Sweep Lane Stud	On Application
Kodiac	Tally-Ho Stud	€7,500
Lawman	Ballylinch	€20,000
Le Cadre Noir	Sweep Lane Stud	€2,500
Let the Lion Roar	Bridge House Stud	€500
Lilbourne Lad	Rathbarry	€7,500
Lope de Vega	Ballylinch	€12,500
Lord Shanakill	Irish National Stud	€5,000
Mahler	The Beeches Stud	€2,500
Majestic Missile	Ballyhane	On Application
Marienbard	Kilbarry Lodge Stud	On Application

2013 STALLION FEES

Stallion	Stud	Fee
Mastercraftsman	Coolmore	€12,500
Milan	Grange Stud	€5,000
Millenary	KnockHouse Stud	On Application
Misternando	Knockboy House Stud	On Application
Moon Ballad	Woodlands Stud	€2,500
Mountain High	The Beeches Stud	€2,000
Mr. Dinos	Whytemount Stud	On Application
Mustameet	Clongiffen Stud	€2,000
Oscar	Grange Stud	€6,000
Papal Bull	Coolagown	€4,000
Peintre Celebre	Coolmore	€10,000
Perugino	Longford House	On Application
Pilsudski	Anngrove Stud	On Application
Pour Moi	Coolmore	€17,500
Power	Coolmore	€12,500
Presenting	Glenview Stud	€10,000
Quws	Old Meadow Stud	On Application
Raven's Pass	Kildangan	€30,000
Requinto	Coolmore	€5,000
Rip Van Winkle	Coolmore	€17,500
Robert Emmet	Woodlands Stud	€1,000
Robin Des Champs	Glenview Stud	€6,000
Robin Des Pres	Anngrove Stud	On Application
Rock of Gibraltar	Coolmore	€17,500
Roderic O'Connor	Ballyhane	€10,000
Royal Anthem	Tullogher House	On Application
Sans Frontieres	Coolmore	On Application
Scorpion	Castlehyde Stud	€5,000
Sea The Stars	Gilltown	€85,000
Sendawar	Annshoon Stud	On Application
Shamardal	Kildangan	€50,000
Shantou	Burgage	On Application

2013 STALLION FEES

Stallion	Stud	Fee
Sholokhov	Glenview Stud	€5,000
Sir Prancealot	Tally-Ho Stud	€6,000
Sans Frontieres	Coolmore	€2,500
September Storm	Tullyraine	On Application
So You Think	Coolmore	€17,500
Soviet Star	Ballylinch	Private
Spadoun	Ennel Bloodstock	On Application
Stowaway	Whytemount Stud	On Application
Tagula	Rathbarry	€4,000
Tamayuz	Derrinstown	€15,000
Teofilo	Kildangan	€35,000
Thewayyouare	Coolmore	€4,000
Tobougg	Anngrove Stud	On Application
Trans Island	Arctic Tack Stud	On Application
Vale of York	Kildangan	€3,000
Vinnie Roe	Grange Stud	€2,500
Vocalised	Redmonstown	On Application
Westerner	Grange Stud	€4,000
Where or When	Ballycrystal Stud	On Application
Whitmore's Conn	Clongiffen Stud	On Application
Winged Love	Tullyraine	On Application
Windsor Knot	Rossenara Stud	€2,500
Yeats	Coolmore	€6,000
Zagreb	Beechbrook Stud	On Application
Zebedee	Tally-Ho Stud	€5,000
Zoffany	Coolmore	€7,500