



# op/ed

by rob whiteley

## SAFARI IMEPASUA

This Swahili phrase means, “The journey, it has blown apart.” I write these words because my own journey in the horse business has come to an end.

After the 2011 Keeneland September and November sales, the appraised value of my remaining horse collateral dropped below the 2:1 asset to debt ratio required by my lending bank. Thus, they stopped advancing money and did not renew my financing. I have since gone through all of my personal monies and, as required by the bank, I am liquidating all of my foals and mares without reserve in the Keeneland November sale.

Unfortunately, breeding, co-breeding, or mating over 200 stakes horses (including 17 Grade I stakes winners) has not been enough to sustain me in an industry where a couple of consecutive bad years can sink someone who does not have wealth outside the horse business.

It's not all bad, however. There's an old joke that says, “If you want to make God laugh, tell him your plans.” Somehow, I managed to keep God laughing for 40 years.

The facts are what they are. As I have documented in other Op/Eds, life in the trenches as a breeder is tough for anyone, especially for those who do commercial breeding as a livelihood. I exit knowing that, while being fully invested, I have at least treated others fairly and have not been an exploiter who takes little risk and feeds off others. Along the way, I have come to know the inside of Teddy Roosevelt's “Arena.” I may be a poor example of one “whose face is marred by dust and sweat and blood; ...who does actually strive to do the deed; who knows great enthusiasms...and who at the worst, fails while daring greatly.” But I depart knowing that against long odds I tried my best to make it work.

In my 40 years around horses, I have observed that there are two basic types of people in the business: stakeholders and those who make a living off stakeholders. And within each group, there are two more groups: those who actively work to improve the industry and those who operate from narrowly focused selfish interests without regard for the long-term welfare of the business or our sport. Sadly, the latter group right now is adding a very heavy weight to the industry saddle. Too few participants understand the necessity of working cooperatively, pro-actively, and with a shared vision to help grow the business for everyone. Even sadder, too few people care.

To that extent, my departure is just one more industry failure. When I am gone, who will be next?

For some time I have known that any positive changes in how we conduct business will be too late for me. I have written the last few Op/Eds solely to help create awareness and discussion that might benefit my friends I leave behind.

Thus, for those good people who are able to keep on keeping on, and for the incredible animals who race for our enjoyment, I submit this final Op/Ed. My purpose is simply to present one man's picture of important things the industry needs to do to make things better for the future of our sport and the people who live it every day.

## Unfinished Business: Dr. Rob's Top 10 Industry To Do List for 2013:

**#10. Stop whipping horses in front of the American public.** This one is a no-brainer at a time when we urgently need to attract new fans and keep the ones we have. Many people see whipping as disgusting, abusive, and immoral. It is a major turn-off to a lot of people.

The reality of actual pain and punishment is meaningless compared to the visual reality. Only the perception matters. By projecting a kinder image we increase the appeal of horseracing and grow our fan base. If we grow our fan base, we grow our sport.

Placing a ban on whipping is not just the right thing to do. Given the status of modern racing, banning whipping is also the smart and practical thing to do. Those who support whipping have weak arguments like “some horses need it,” or “it's racing as it's meant to be.” Jockeys whip because jockeys (except for the great Isaac Murphy) have always whipped. They whip because it is what they learn, because every other jockey is doing it and they are afraid of possibly losing an edge, and because it actually can motivate some less genuine horses.

The argument for whipping is especially weakened, however, when we observe that *whipping often creates safety problems* and frequently *interferes with performance* and the outcome of a race. Whipped horses often sulk or stop trying, shy, veer, swerve, duck in, duck out, lose smooth forward rhythm, or are injured when pushed to overextend themselves while fatigued.

A lot can be gained by banning whipping and little is given up. If jockeys only carry and use *whips for personal safety*, we will still have a winner in every race and jockeys will be judged by their ability to communicate with their mount and by their hands and true horsemanship and riding skill.

Without whipping, the most genuine racehorses will prevail and we will always have a winner whose true heart and competitive nature will be clearly defined along with the skill of the rider. We will also have more people watching.

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**#9. Stop timing the 2-year-old sale horses.** When I came into the business, we let our 2-year-olds gallop down the lane under a strong hold. Every horse is an individual and we brought them along according to their own maturation time-table and “within themselves.” Knowledgeable horsemen knew what they were looking at and could tell a good horse without causing still developing babies to tear through an eighth or even three eighths faster than they would ever run again.

Many pinhooked yearlings are carefully selected and are among the industry’s most promising youngsters. Yet we risk and waste too many with the survival of the fittest process that we put them through in order to identify a few standouts. Little attention is given to the significant number of potential stars who are unnecessarily chewed up and spit out by the stress of being unnaturally pushed, or who are compromised post-sale by physical and mental issues that we create.

For only \$5, Bob Newhart could fix this major problem for us if we would only listen ([click here](#)).

**#8. Fix the Repository and increase veterinary accountability at sales.** Sales companies are the stewards of the auction scene. As such, they have fiduciary responsibility for providing a level playing field for all participants. One area of responsibility that urgently needs fixing involves the operation of the Repository and how veterinary input is documented and utilized.

Before the creation of a repository, the playing field favored the breeder and consignor. Buyers paid for their own x-rays or took their chances under “buyer beware.” The smartest buyers bought from sellers who stood behind their horses. Buyers could attempt to return a horse with a significant problem through a sales company sponsored arbitration panel.

The repository was established as a good idea to create a better process for buyers and to give them increased confidence. Unfortunately, as it currently functions, the repository unfairly affects sellers and creates confusion for buyers that often causes them to unnecessarily miss out on horses they have selected for purchase.

Today, the playing field is once again *not level*. Breeders pay for a full set of repository x-rays and often pay for an additional set of “guidance” x-rays in early spring, adding about \$1,000 to production costs. Cost is a problem, but not the main problem. The main problem is the punitive disservice to sellers when veterinarians detail every finding, significant or insignificant, on their written reports. Written in “vet-speak” jargon, buyers frequently do not understand the vets’ language or the significance of the written findings and often just move on to a “cleaner” sheet and horse.

Veterinarians provide findings, interpretations, and predictions, and their input is often a key factor in whether a breeder gets his horse sold after two and a half years of production and expense. If we truly believe in a level playing field, vet opinions should be documented and retained as part of a public record when buyers use sellers’ x-rays in the Repository. Buyers’ vets should sign off on their interpretations and should be required to make “pass-fail” opinions that are also documented and signed in writing. In addition, when a vet scopes a seller’s horse, they should submit a signed statement of their findings and opinion to the sale company for documentation. In other words, veterinarians should be held accountable in a similar way to doctors in medical practice.

In addition, sale companies and veterinarians should develop an educational program to help horsemen understand the meaning of terms and importance of findings so that buyers have confidence in separating the significant from the insignificant. This is especially important for two reasons. (1) Veterinarians have no crystal ball and are often wrong about future implications. In part, this is because they have little research evidence to guide predictions that link most findings to specific racing performance. (2) Most items on a sheet are insignificant.

Based on my experience, an overwhelming preponderance of veterinary findings have little or no impact on a horse’s future racing performance. Although it is important to identify major problems or issues, many perceived irregularities are developmental and are outgrown or are of no consequence. Most that persist are typically overcome by a horse’s talent, toughness, or in-bred competitive nature. Those of us who are veterans have many anecdotes which contradict statements like, “he’ll never train or race.” (For example, I had one yearling with crushed hocks and a veterinary opinion that he would never take training, let alone race. He won 7 races and nearly \$150K. I had another with a wry nose who had one nostril totally closed. I gave him away to someone who decided to put him in training and give him a try. He won 22 races.) Thus, vet opinions need to be considered with perspective and for what they are, and buyers need to be informed and knowledgeable enough to evaluate the risk for themselves and make their own decisions when they really like a horse.

Veterinarians should also be held accountable by sales companies in one other especially important way. A number of sales veterinarians have ownership interests in sale horses. This of course creates an obvious and unaddressed conflict of interest. Sales companies need to provide more leadership in their stewardship and should require veterinarians to provide sworn disclosure of all percentage interests in sale horses at a particular sale, or disqualify them from working a sale where they have an ownership interest in any horse.

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**#7. Limit the size of stallion books and import foreign bloodlines.** When stallion books go past 100, many negative things happen.

Although a few elite exceptions could be mentioned, gains in short-term revenue for stallion owners who breed very large books can be off-set over time when excessive breeding turns their stallion into a commodity. Many quality stallions can be listed who dropped out of commercial favor simply because the marketplace got tired of them or trainers “already had a bunch.”

Breeders are greatly damaged when book size soars. A very large number of sales horses by the same sire typically causes depressed prices at auction for all but the primo individuals. The loss of money by breeders who are not lucky enough to produce the top 10-20% is only part of the picture, however. Breeders also lose money when breeding sheds are backed up and they cannot get to a stallion when the mare is ready. If they miss a cover or have an unsuccessful cover because of bad timing or having to accept lesser semen quality from too many covers on the same day or season, they have more late foals. Or they have no foal and lose an entire year’s expense of carrying and breeding the mare.

In addition, when breeders are allowed to flock to the current “flavors of the month” in unrestrained numbers, the industry is weakened because the quantity of mares going to other quality stallions drops. When a stallion’s number of foals drops below a critical number, they typically do not have enough runners on the track to maintain commercial favor, shrinking the pool of commercial stallions and perpetuating excessively large books.

For the good of the industry, The Jockey Club should simply not accept more than 100 or 120 stallion service certificates for any stallion in a given season. End of problem.

Regarding America’s need to import top bloodlines from around the world, please see my previous Op/ed of Oct. 19 ([click here](#)).

**#6. Publish leading sire and stallion statistics in relation to foals, not runners.** A legion of myths and falsehoods influence the many aspects of the marketplace. With regard to stallions, the stature of a sire is typically measured by numbers of graded stakes winners, stakes winners, progeny earnings, percentage of stakes winners from runners, and average earnings per *runner*. All of these measures, however, frequently give a false picture of comparative performance as they unduly favor stallions that have very large books and many runners. Evaluating performance on a stallion’s number of runners is a statistical manipulation that creates a skewed or deceptive picture of who are really the best sires.

When numbers of *foals* are used to calculate relative performance, some sires with less opportunity regularly outperform stallions that are incorrectly viewed as superior. Using runners creates a misperception that contributes to excessive popularity among the stallion group cited in #7.

It also causes shrinkage in the number of stallions perceived to be commercial and the number of stallion farms that can stay in business. This reduction in competition is not good for the viability of the Bluegrass or the broader industry.

Fixing this major problem would require media to publish stats based on percentages using *foals* as the reference group, *not runners*. It is the only way to provide an accurate (and fair) picture of stallion performance.

**#5. Lobby Congress to alter the Interstate Horseracing Act and lower take-out.** We need to collectively persuade Congress to revise the Interstate Horseracing Act (IHA) of 1978 in order to give host tracks the lion’s share of simulcast revenue from racing at their facility.

As Fred Pope has pointed out on numerous occasions, off-track bet takers and advanced deposit wagering (ADW) companies take most of the revenue from a host track’s signal. As Fred indicates, this upside down revenue model “cannibalizes” the host tracks and siphons a huge amount of money away from them that could be used for purses.

Crafting a revision of the IHA in order to provide host tracks with more than 50% of the takeout would not only allow a surge in purses, but would also make it possible for tracks to lower the takeout on each wager. The latter point is equally important, as bettors support the entire industry. We need to cut the takeout in half or more for bettors in order to compete effectively with other forms of gambling going forward, or our sport will continue to decline.

Like it or not, only the Federal government can fix this.

**#4. Bring our drug use standards in line with the rest of the world.** At a time of rapid globalization of racing, we need to do all we can to stimulate international interest in horses bred in America and to encourage the racing of foreign horses at America’s tracks. If we continue with current protocols and enforcement, we will be left behind and eventually slip into a second tier status. In short, we need to adapt to standards in force in the rest of the world, plain and simple.

Domestically, we also need to put a system in place that creates a level playing field and that establishes and enforces major penalties for violations. Even in the best case scenarios where the drug culture surrounding many training barns is only an effort to stay competitive, the price we pay is great. Our image to the American public is negatively affected and international horsemen are suspicious of what rampant drug use is doing to our horses and subsequently their progeny.

The most effective way to fix this crucial problem would be to have all vet work performed by vets employed by each track, with detailed documentation and rationales for therapy posted as part of the public record. Owners could still be billed for services, but a systematic oversight would be established requiring medical justification or necessity, thereby addressing the welfare of the horse.

Everyone would be playing by the same set of rules and procedures, and the size of the vet bills that discourages many owners and spits too many out would drop significantly.

### **#3. Provide proper aftercare for our equine athletes.**

How can we pretend to have a great sport when we often show disregard for our equine athletes after we use them for our enjoyment? This emotionally laden topic is not going to go away anytime soon. And it won't go away until we address it effectively.

Whether we have slaughterhouses or not, the core issue as I see it is *humane treatment* and the importance of stopping cruelty wherever and however it may surface. We need more retirement facilities and we need properly run and sufficiently funded euthanasia programs throughout the country. If we have slaughterhouses, we need to have an oversight process in place that assures humane treatment during transport and in the facilities.

The price tag for proper aftercare is very high and requires a total industry effort to be successful. The Thoroughbred Aftercare Alliance deserves everyone's support. It is just getting off the ground and needs to become 1000 times better funded if we are to do right by our athletes and gain the respect of the American public.

As I wrote four years ago, every group that makes money on the backs of Thoroughbreds shares a moral responsibility to protect our horses as they go through their life cycle. At each stage in a horse's career, every time it is sold and every time it races, a contribution should be made by all participants. Breeders, sales companies, stallion owners, consignors, agents buying and selling, vets, blacksmiths, race tracks, ADWs, owners, trainers, jockeys, transporters, feed companies, and other service suppliers should make a contribution to a "super fund" each time they are part of a monetary transaction.

### **#2. Provide proper aftercare for our injured human athletes.**

There is only one group of athletes more precious than our cherished horses: our jockeys who risk themselves daily to put on the show. We need to do much more to raise funds and assist injured and disabled jockeys and their families (as well as exercise riders and grooms and hot-walkers who are disabled while working around our horses).

Sure, these professional athletes choose to do what they do while knowing the risks. But we would not have horse racing without them, and we cannot morally abandon them and their loved ones when catastrophe strikes.

The Permanently Disabled Jockeys Fund (PDIF) is governed by an industry-based board, but needs a much larger endowment to properly assist with on-going support for injured riders. Several industry groups, individuals, and charity events have generously provided funds, but a systematic and broad based funding system needs to be established similar to the one needed for our equine athletes.

**#1. Establish a national governing body with standardized rules and regulations.** It's pretty obvious that our industry has turned from a dysfunctional family to a group of competitive tribes that have trouble finding common ground. If we have one consensus, it seems to be the recognition that we cannot work together to fix our problems. Unlike other major sports that annually take market share from us, we have no centralized authority, no league office, no national governing body that can standardize rules and regulations, enforce compliance, and unite all groups in a powerful and effective marketing initiative to compete with other forms of gambling and sports entertainment.

As with our need to correct the business model governing host tracks' simulcast revenue (#5 above), whether we want it or not, only the Federal government can help us establish such an office and create uniformity across state jurisdictions. We therefore need to develop key Congressional alliances and actively participate in the careful crafting of legislation that can transform our industry into a thriving sport.

**Final comment.** As for me, I deeply regret that I am leaving at a time when so much needs fixing. When I came into the business knowing no one, it was for me all about my love of young horses. I will miss them very much.

As time went by, I discovered that there are some truly wonderful people involved in the day to day who share that love. I will also miss you very much. Some of the rest of you (who operate with selfish interests and little regard for others or the long-term survival of the industry), you were on my mind as I watched a new Ben Affleck movie this week. If you see it, think of the oft repeated line that starts "Argo ... "

Finally, Kenny Rogers said it better than I can in his song, *The Gambler*. "*You've got to know when to hold'em, know when to fold'em, know when to walk away, know when to run.*"

I'm not running, but I'm walking away. Goodbye and good luck.

Rob Whiteley, Liberation Farm  
[liberationfarm@yahoo.com](mailto:liberationfarm@yahoo.com)  
[www.liberationfarm.com](http://www.liberationfarm.com)