Crunching the numbers: 2019 performance sales analysis

Teagasc equine specialist Wendy Conlon analyses the figures from the 2019 performance sales

Public auction results for foals and three-year-olds at Greenbridge (including Supreme Foal and Foal For Sale sales), Carvin, Mullingar, Millstreet, Tattersalls Select Event Sale and The Moment Select Event Sale were analysed. It must continue to be acknowledged that the majority of trade remains in the private domain and public auction trade can only provide at best limited insight into the overall trends.

A key factor to bear in mind when reviewing sales returns is the cost of production as this is the break-even for profitability, or otherwise. Costs of production are highly variable between enterprises, animals, breeding seasons and breeding methods used. Varying stall fees; the need to acquire professional assistance in sales preparation or not; perhaps even hand, building or machinery rental fees or loans may impact some enterprises and not others but should be factored into the cost of production.

Mass depreciation, sales entry fees, commission and veterinary costs are also highly variable. Whether a stall is producing in natural covering, artificial insemination, the nature of semen used, or embryo transfer or other more sophisticated reproduction technologies can have a hugely significant bearing on the costs involved.

Including what are considered as minimal husbandry interventions (feeding, bedding, farrier; veterinary; dosing) and assuming one can have a hugely significant bearing on the costs involved.

When the ‘outliers’ (prices which significantly deviated from the average) are removed there isn’t much of a difference to note in the average returns.

The number of foals sold in 2019 was up marginally by almost 30 foals (feeding, bedding, farrier; veterinary; dosing) and assuming one can have a hugely significant bearing on the costs involved.

Average select foals €23,000 a negative gap of €2,185 is apparent between the most recent figure in 2018 (€25,185) and last year (€27,205), indicating a negative trend which is worrying for those particular sales.

The profitability outcome must be assessed on an individual basis relative to input costs but it is reasonable to suggest that many continue to be challenged in this endeavour.

Three-year-old trade

On a positive note, in addition to the increased volume of three year olds sold, averages held their own reasonably well overall in this age category with a marginal reduction of €765 in the average over 2019 for all three year olds. When the outliers were removed from the analysis for all years 2019 figures demonstrated a significant increase in the average, with returns increasing year on year over the period of the last five years from €4,270 (2014) to €5,785.

For those trading through the select auctions with three year olds the average returns improved by almost €2,680 over the previous year, and were at their most buoyant at the last five year point. Removing the outliers from the equation in this age category the average returns of these auctions demonstrate an even stronger improvement of almost €2,765 since 2018, a particularly positive result for the vendors involved. It only was replicated in the foal trade.

For those at the top 20% of all three year olds sold in 2019 saw a reduction of €776 in the average returns. However, when outliers are removed from the equation a steady improvement year on year is evident with average returns in the region of €14,850 at this end of the market in 2019.

Average top 20% three-year-olds sold

A first glance at the top 20% of all three year olds sold saw an improvement of €2,150 in the average over 2018 figures, increasing by just over 200, almost on a par with 2017.

When the ‘outliers’ from the equation in this age category the average returns of these auctions demonstrated an even stronger improvement of almost €2,765 since 2018, a particularly positive result for the vendors involved. It only was replicated in the foal trade.

Costs of production are highly variable, it must be emphasised. Breeders should keep account of individual costs of production with a view to increasing profitability at time of sale and potentially influencing decisions making regarding individual mares.

Three-year-olds

Includes what are considered as minimal husbandry interventions (feeding, bedding, farrier; veterinary; dosing) and assuming one can have a hugely significant bearing on the costs involved.

MVP Ramiro, a three-year-old gelding by Karina II, at the sales in Greenbridge earlier this year.