2012 MISSION AND PERFORMANCE MEASURES

The Agriculture and New York State Horse Breeding Development Fund ("the Fund"), by law, supports several facets of standardbred breeding and racing in the state. These important areas include:

FAIRS:

In 2012, standardbred racing was conducted at 22 county fairs, each of which was eligible to participate in the Fund's repair and racing-administration reimbursement program. By law, the Fund can reimburse a county fair up to \$6,000 provided that the fair meets that plateau in overall repair costs in a given year, and that 25%, or \$1,500 of that cost can be proven to promote the standardbred sport.

In addition to the repair-reimbursement program, the Fund also reimburses each fair up to \$2,000 for the cost of racing administration, ie. the hiring of a racing secretary, judge, marshal and other necessary racetrack personnel.

Last year the Fund reimbursed all 22 fairs for the cost of Racing Administration, and it reimbursed 20 fairs for repairs made: The repair claims made at Livingston-Caledonia remain under review at this writing, and the races at the Tioga County fair were conducted at nearby Tioga Downs.

In total, the Fund reimbursed New York's county fairs \$160,000.

In addition, the Fund provided \$480,000 in purses to the county fairs, with each fair receiving \$20,000 for its four-race Sire Stakes program.

The Fund also supports New York's historic state fair racing program, which in modern times is conducted at Vernon Downs, located in Vernon, and Tioga Downs, in Nichols. Vernon and Tioga are larger racetracks located in the state's heartland, and holding the races there gives horses and horsemen on the county-fair level the opportunity to compete in the sport's major leagues. The Fund contributed \$288,000 to the state-fair purse program in 2012.

Another big-league experience comes over the July 4 holiday at Goshen Historic Track. The sentiment that still-active venue holds for standardbred fans in New York is similar to that which the memory of Ebbets Field holds for baseball fans. The Fund distributed \$204,000 in purse money to Goshen's races, and also sent checks of \$8,000 for Repair and Racing Administration reimbursement as well as another \$50,000 to the Harness Racing Museum and Hall of Fame, which is adjacent but separate from the Historic Track.

EQUINE RESEARCH:

In 1979, by amendment to the pari-mutuel racing and wagering law, the New York State Legislature created the Harry M. Zweig Memorial Fund for Equine Research, named in honor of the distinguished veterinarian.

The Zweig Fund promotes equine research at the Cornell University College of Veterinary Medicine.

The Zweig Committee, which was established for the purpose of administering the Zweig Fund, is composed of equine breeders, owners, trainers and veterinarians as well as representatives of the industry and state agencies. The committee meets annually in mid-autumn.

By law, the Agriculture and New York State Horse Breeding Development Fund must contribute 2% of its revenues. In 2012, that contribution was \$313,908.

Areas of research that received funding in 2012-13 follow:

- ☐ Fine Mapping of Candidate Genes Contributing to Equine Left Recurrent Laryngeal Neuropathy (RLN), Principal Investigator Dorothy Ainsworth, with Samantha Brooks;
- •□□<u>T-Cell Mediated Immunity and Vaccine Development in Horses</u>, Principal Investigator Douglas Antczak, with Rebecca Tallmadge and Nikolaus Osterrieder;
- •□□<u>Etiology and Prevention of Equine Serum Hepatitis (Theiler's Disease)</u>, Principal Investigator Thomas Divers, with Bud Tennant
- · An Exploratory Study into the Practical Application of Regenerative Medicine Approach to Reconstruction of the Equine Upper Airway, Principal Investigator Norman Ducharme, with Brian Brown;
- Cellular Biomarkers of Early Cartilage Injury Measured with Multi-photon Imaging, Principal Investigator Lisa Fortier
- Osteoarthritis Control through Combinatorial Stem Cell Therapy, Principal Investigator Allen Nixon;
- Innate Immune Mechanisms and T-Cell Response to Equine Herpesvirus Type 1 in Latently Infected and Naive Horses, Principal Investigator Bettina Wagner, with Gillian Perkins

EQUINE EDUCATION:

The Fund has a history of support for educational programs, especially to the statewide 4-H program. Based at Cornell University in Ithaca, the program provides the state's youth with educational opportunities and information on possible careers within the breeding and racing industries.

A variety of experiences are presented to the program's youths, including tours if regional harness tracks, breeding facilities.

The Fund's contributions of \$75,723 also help defray costs of supplies and training for 4-H staff. The supplies include educational materials such as books, visual aids and videos. The 4-H

Horse Program newsletter "Unbridled Thoughts" is posted on the Cornell Department of Animal Science's website.

Additionally, the Fund provided \$15,000 to the Harness Horse Youth Foundation. This program also exposes young people to the harness racing experience, all of which promotes interest in standardbred breeding and racing.

BREEDING:

In 2008, legislation expanded video-lottery terminals to the state's seven pari-mutuel standardbred tracks. A tremendous supplement to the wagering on horse races (handle), the addition of VLTs provided the industry with a huge boost in terms of public exposure and increased purses for horsemen.

The increases in exposure and purses were expected to send the number of Mares-Bred in the state upward, but unfortunately the number of foals, as the economy, has quivered through the intervening years, as evidenced on the next page (figures provided by the United States Trotting Association):

Year	Stallions Standing in N.Y.	Mares-Bred	Next-Year Foals
2008	64	1,858	1,116
2009	70	1,871	1,085
2010	50	1,574	1,004
2011	56	1,611	917
2012	45	1,377	799

If there is consolation, the drop in Mares-Bred and subsequent foals has been at least as, and often much more, dramatic in other states: Mares-Bred in New Jersey in 2008 numbered 1,373 but in 2012 that number was 471; Mares-Bred in Kentucky numbered 768 in 2008 and 128 in 2012.

With that said, the number of Mares-Bred in Ohio has boomed: In 2008 the number was 899 (almost 1,000 less than the number of Mares-Bred in New York that same year) and in 2012 it was 1,558 (759 more than New York that year). The difference in the number of stallions standing in Ohio those two years is insignificant: 91 in 2008 as compared to 93 in 2012.

(The figures mentioned in the preceding two paragraphs were also provided by the USTA.)

Weeks prior to the issuance of Breeders Award bonuses, the Agriculture and New York State Horse Breeding Development Fund's Board of Directors tweaked the system used to determine the amount of bonus money distributed to breeders. The new format shifted the emphasis to performance vs. top company in the nation's more prominent races, such as the Hambletonian and the Yonkers Pace, as opposed to the previous format that rewarded breeders in terms of number of victories, which usually came against lesser company at the county fair level.

In short, the new format is designed to reward excellence.

The Fund dispersed \$1,201,376 in Breeders Award money to 249 breeders in 2012.