

Overlapping Racing Dates in Northern California



Statistical Review • Historical Allocations • Correlation to Foal Crop



California Authority
of Racing Fairs

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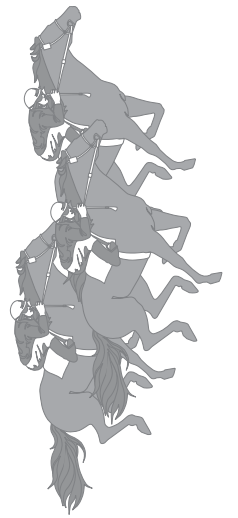
About the Cover: California Fairs, with their long tradition of horse racing and deep ties to agriculture, wish to acknowledge the contribution of California breeders to the horse racing industry. The painting on our cover, *Eternal Legacy*, by world-renowned equine artist Fred Stone, captures the qualities we would like to honor.

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Executive Summary

Northern California is facing a shortage of thoroughbreds. In the last years, this problem has become especially acute. This Report will show that the present shortage of horses correlates to two factors: 1) an increase in racing dates in Northern California that took place in the mid-to late-80's, continuing to the present, combined with 2) decreasing foal crop production. Overlapping racing dates in Northern California have increased the impact of this problem for both Fairs and the private Northern California associations.

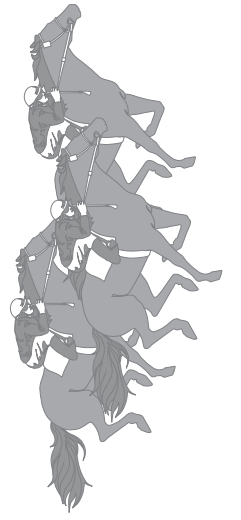
The Report shows a correlation between overlapping dates, field size and the number of races that can be filled with competitive fields.

The Report summarizes historical Northern California racing dates allocations since 1960 showing trends and comparisons track by track. Fair racing dates rose from the mid-'60's through the late-'80's, peaking in 1992, then inclined back to levels raced in the early 70's. Golden Gate Fields' and Bay Meadows' dates rose steadily from the mid-'60's on through the early-'90's, remaining at that same plateau up to the present. In 2000, Fairs raced the same number of dates as they did in 1972: 90. In 2000, Golden Gate Fields and Bay Meadows raced 47 days more than they did in 1972.

From the 1850's until 1988, the San Joaquin County Fair conducted racing solo in Northern California. In the '90's, after several years of overlap, Stockton reduced racing days from 13 to 10, a reduction of 23%. The California State Fair, which has also conducted racing since the 1850's, ran solo for most of its history. In 1996, the State Fair reduced its dates to 12, a reduction of 14.3% from the number of dates it had run in the early '70's. In the same time period, Bay Meadows dates have increased by 32.5% and Golden Gate Fields dates have increased by 24.7%.

California's Annual Foal crop rose steadily from 1970 to a peak in 1986, then declined back to 1970 levels. Northern California Fair racing dates parallel the trend shown by the California Annual Foal crop, rising through the late-'80's, then returning to 1970 levels. Racing dates at Bay Meadows and Golden Gate Fields rose to their highest historical level in the late 80's, at the peak of foal production, and have remained at or near that level. This bias has driven the regional total higher, in spite of reductions in dates run by the Fairs. This upward trend in regional racing dates diverges from the downward trend in supply of Thoroughbred Foals. These diverging trends in supply and demand have contributed to a shortage of horses in Northern California.

Overlapping racing dates is an experiment that has failed. The increase in Northern California racing dates combined with the decline in foal crop production since 1986 has led to short fields and difficulty in filling races. Overlapping racing dates have made the impact of this shortage more acute. As a result, the quality of racing in Northern California has declined.



Impact of Northern California Overlap on Number of Races, Average Field Size and Total Runners

This section will demonstrate the correlation between overlap, field size, the number of races and the regional shortage of horses. In order to maintain satisfactory field sizes, the overlapped fairs have had to reduce the number of days and races they run.

The decreasing number of available horses has become more of a problem in recent years. Overlapping racing dates in Northern California exaggerate this problem for both Fairs and the private Northern California associations. In essence, everyone is competing for the same horses.

During overlap periods, northern California Racing Secretaries are faced with the burden of trying to card 18 competitive races. Without an overlap only 9 races would be run. In contrast to 1988, the supply of available horses does not meet the demand imposed by expanded race dates.

The combination of a shortage of horses and overlapping racing dates has reduced the total number of competing thoroughbreds at the San Joaquin County Fair and at the California State Fair by over 40% between 1991 and 2000.



San Joaquin County Fair Stockton



Runners Report (Thoroughbreds) 1991 to 2000

Year	Race Dates	Races	Total Runners	Average Field Size
1991	13	117	979	8.37
1992	13	114	962	8.44
1993	12	104	846	8.13
1994	12	100	740	7.4
1995	10	81	654	8.07*
1996	10	76	674	8.87
1997	10	79	631	7.99
1998	10	76	591	7.78
1999	10	71	613	8.63*
2000	10	71	572	8.06

Note: Overlap began in 1988

* AB 1418 (Tucker) Implemented North/South Wagering in 1995

* SB 27 (Maddy) Implemented in 1999



Stockton Runners Report

Thoroughbreds

Highlight:

The combination of a shortage of horses and overlapping racing dates has reduced the total number of thoroughbred races at the San Joaquin County Fair from 117 in 1991 to 71 in 2000, a reduction of 41.5%.

In 1995, when CHRB reduced the overlap from 9 to 5 days, the average field size at Stockton increased from 8.07 to 8.87.

- ① • In 1991, Stockton ran 117 thoroughbred races. In 2000, Stockton ran 71 races, a decline of 41.5%.
- ② • In 1992, Stockton elected to keep field size at 8 runners. This could only be accomplished by reducing the number of races per day and the number of days that the Fair conducted live racing.
- ③ • Average field size increased in 1995 when the Fair reduced its days from 12 to 10.
- ④ • From 1995 to 2000, the fair ran 10 fewer thoroughbred races. (12.34%)
- ⑤ • Because of overlap from 1996 to 2000, Stockton's total runners decreased by 15.13%, 674 to 572.



California State Fair Sacramento



Runners Report (Thoroughbreds) 1991 to 2000

Year	Race Dates	Races	Total Runners	Average Field Size
1991	13	117	1039	8.88
1992	13	117	1016	8.68
1993	13	117	913	7.8
1994	13	112	842	7.52*
1995	13	100	754	7.54
1996	12	95	764	8.04
1997	11	85	668	7.86
1998	12	84	634	7.75
1999	12	87	670	7.7*
2000	12	85	624	7.34

Note: Expanded Overlap began in 1988

* AB 1418 (Tucker) Implemented North/South Wagering in 1994

* SB 27 (Maddy) Implemented in 1999



Sacramento Runners Report

Thoroughbreds

Highlight:

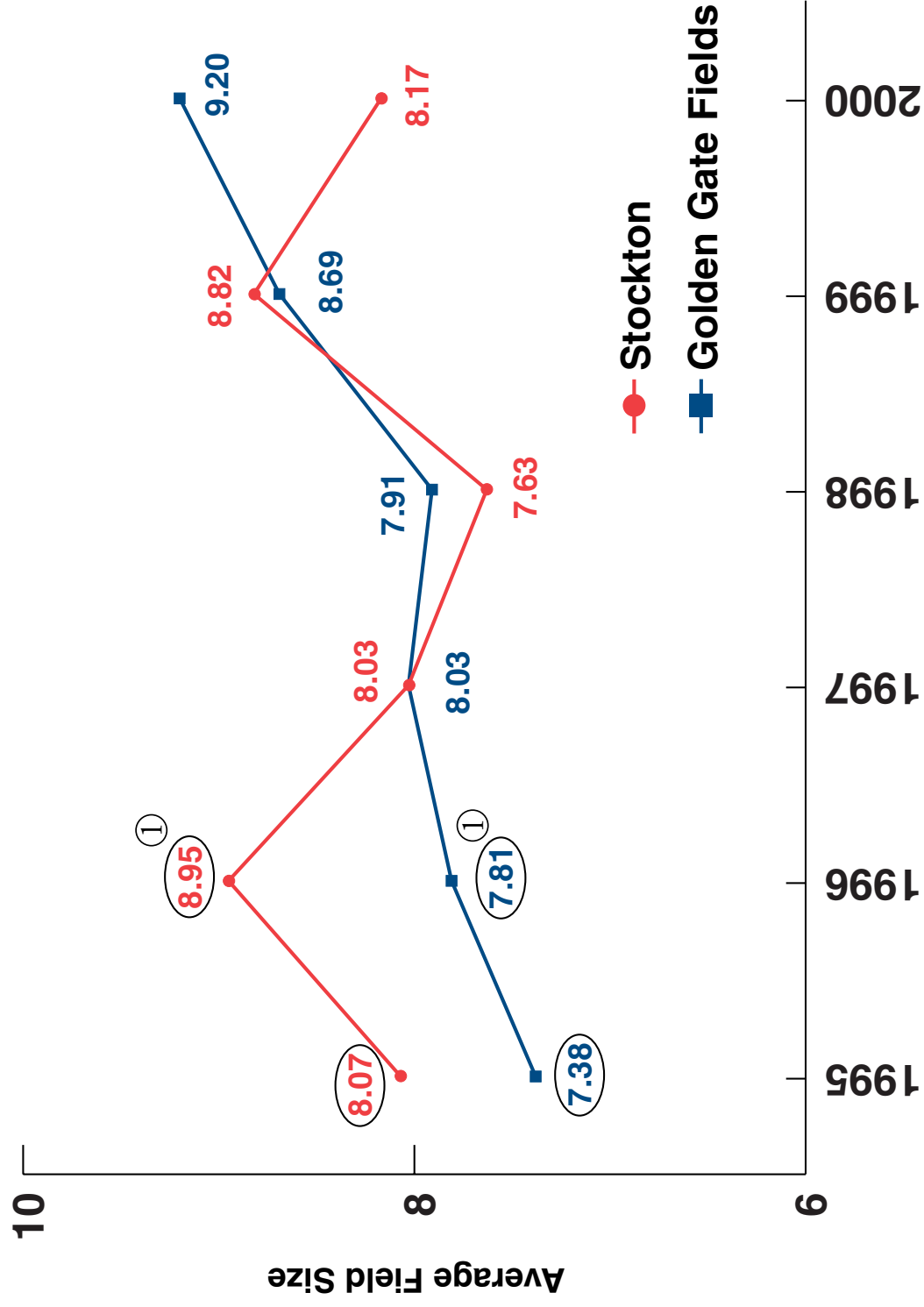
The combination of a shortage of horses and overlapping racing dates has reduced the total number of competing thoroughbreds at the California State Fair from 1039 in 1991 to 624 in 2000, a reduction of 40%.

- ① • In 2000, due to the shortage of horses, Sacramento was forced to run 27.3% fewer races than it ran in 1991 (117 to 85).
- ② • Due to the overlap the average field size (thoroughbreds) dropped from 8.88 in 1991 to 7.34 in 2000.
- ③ • The total number of thoroughbreds competing during the meet has decreased by 66.50% from 1039 in 1991 to 624 in 2000.
- ④ • From 1991 to 2000, the average field size decreased in every year but two.
- In 1992, Cal Expo elected to keep field size at 8 runners. This could only be accomplished by reducing the number of races and the number of days it conducted live racing.



Stockton & Golden Gate Fields During Overlap Period

Average Field Size (Thoroughbreds) 1995 to 2000



Stockton & Golden Gate Fields During Overlap Period

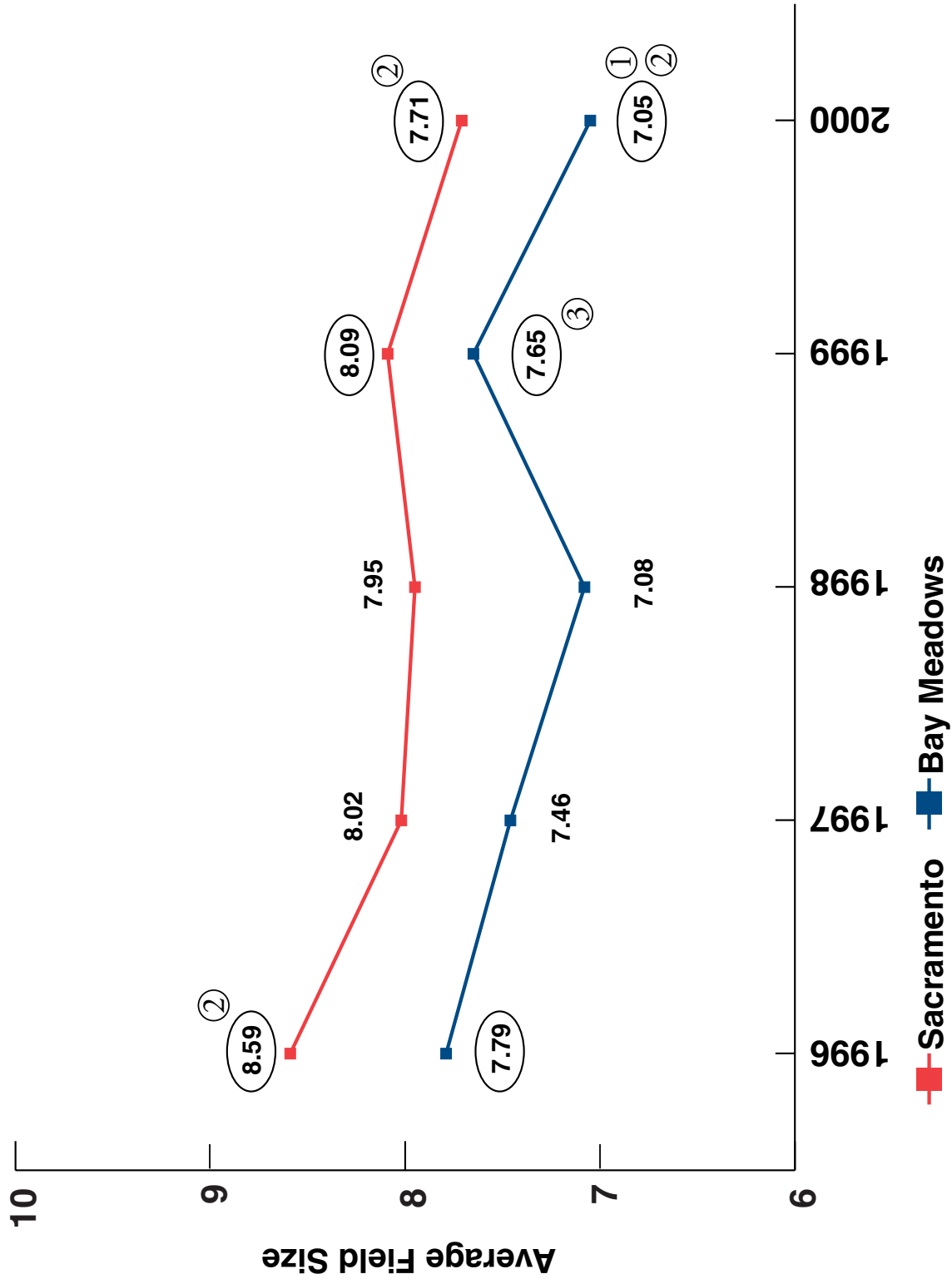
Average Field Size (Thoroughbreds) 1995 to 2000

- ① • In 1996, when overlap was reduced from 9 to 5 days, the average field size at Stockton and Golden Gate Fields increased from 8.07 to 8.95 and 7.38 to 7.81 respectively.
- In order to keep average field size at eight runners per race, Stockton had to reduce the number of thoroughbred races they run each year.
- With the diminishing supply of available horses, Bay Meadows and Golden Gate Fields have begun carding races for horses that would traditionally run at Fairs. Note that Stockton's field size in 2000 decreased while Golden Gate Fields increased.



Sacramento and Bay Meadows

Average Field Size (Thoroughbreds)
1996 to 2000 During Overlap Period



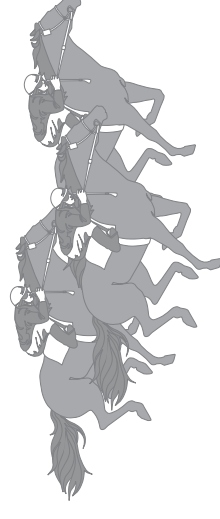
Sacramento and Bay Meadows Average Field Size (1996 to 2000)

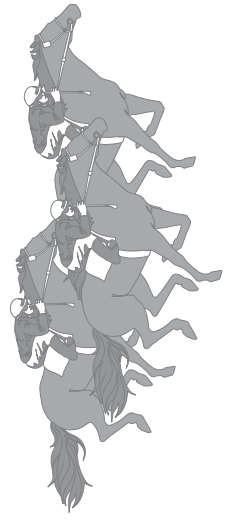
During Overlap Period

Highlight:

The decreasing number of available horses has become more of a problem in recent years. Simultaneous racing dates in Northern California exacerbates this problem.

- During periods of overlap Northern California is trying to run twice the number of thoroughbred races even though there is a shortage of horses in the region.
 - Availability of horses has become a more pressing issue in recent years. Overlapping racing dates between the California State Fair and Bay Meadows exaggerate the problem.
- ① From 1996 to 2000, the average field size at Bay Meadows during the four days of overlap decreased from 7.79 to 7.05
 - ② From 1996 to 2000, the average thoroughbreds field size at Sacramento during the four days of overlap decreased from 8.59 to 7.71
 - ③ From 1999 to 2000, the average field size at Bay Meadows during the four days of overlap decreased from 7.65 to 7.05. Sacramento's field size decreased from 8.09 to 7.71





Historical Northern California Race Dates 1960 to 2000

Since 1850's, the San Joaquin County Fair has conducted most of its racing solo in Northern California. In the mid-90's, after several years of overlap, Stockton reduced its racing days from 13 to 10, a reduction of 23%.

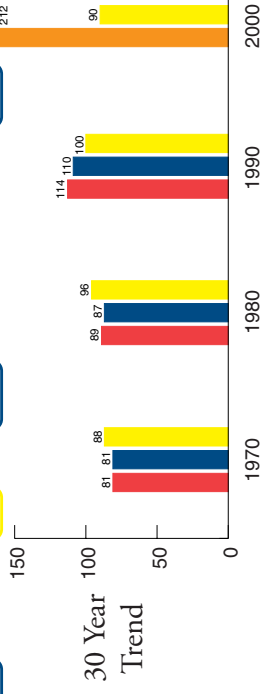
The California State Fair, which has also conducted racing since the 1850's, ran solo for most of its history. By the late 1980's, overlapping dates reached eleven, most of the State Fair's meeting. In 1996, the State Fair reduced its dates to 12, a reduction of 14.3% from the number of dates it had run in the early 80's.

Since 1972, Stockton has reduced dates 16.67% and California State Fair has reduced dates by 14.29%. In the same time period, Bay Meadows dates have increased by 32.50% and Golden Gates Fields dates have increased by 24.70%.



Historical Northern California Race Dates Allocation 1960 to 2000

Northern California Associations	Northern California Fairs												% Difference 1972/2000	% Difference 1986/2000									
	1960	'62	'64	'66	'68	1970	'72	'74	'76	'78	1980	'82			'84	'86	1990	'92	'94	'96	'98	2000	
Bay Meadows	55	42	83	89	89	81	80	76	79	79	89	100	106	102	111	114	111	112	120	106	106	32.50%	3.92%
Tanforan	42	55				85	80	76	79	79	89	100	106	102	111	114	111	112	120	106	106	24.70%	6.00%
Golden Gate Fields	42	44	60	74	74	81	85	92	62*	98	87	102	102	100	111	110	110	105	100	107	106		
Note: * Labor Strike																							
Northern California Fairs																							
Stockton	9	9	9	10	10	10	12	11	12	12	12	12	12	13	13	13	13	12	10	10	10	-16.67%	-23.08%
Alameda	12	12	12	12	12	12	12	12	strike	12	11	12	13	13	13	13	13	13	10	12	11	-8.33%	-15.38%
Vallejo	10	10	10	12	12	12	12	12	12	12	12	12	12	13	13	13	13	13	11	12	12	0.00%	-7.69%
Santa Rosa	9	10	10	12	12	12	12	12	12	12	12	12	13	13	13	13	13	13	12	12	12	0.00%	-7.69%
Ferndale	6	6	6	6	6	7	7	8	8	9	9	9	9	9	10	10	10	10	10	10	10	42.86%	11.11%
San Mateo	8	8	8	12	12	12	12	11	12	12	12	12	13	13	12	12	12	12	12	12	12	0.00%	-7.69%
Sacramento	10	10	10	14	14	14	14	14	14	14	14	14	14	13	13	13	13	13	12	12	12	-14.29%	-7.69%
Fresno	9	9	9	9	9	9	9	11	11	11	14	14	11	13	13	13	14	10	10	11	11	22.22%	-15.38%
Total Fairs						88					96				100						90		



Overlap or expanded overlap of Stockton and Sacramento started in 1988

Historical Northern California Dates Allocation

Highlight:

The number of days run at Bay Meadows and Golden Gate Fields increased steadily from the early 1970's until the present, even though the California Foal crop peaked in the mid-1980's, then went into a decline that has persisted to the present. This expansion of racing, we combined with a declining California and North America Foal crop, meant that a shortage of horses was inevitable.

- In 1972, Bay Meadows and Golden Gate Fields ran 80 and 85 days respectively. In 2000, Bay Meadows ran 106 days, a 32.50% increase. In 2000, Golden Gate Fields ran 106 days, a 24.70% increase.
- Since 1986, the year the California Foal crop peaked, northern California Fairs reduced their racing dates, some by as much as 23 percent. In the same period, Bay Meadows and Golden Gate Fields increased their race dates by 3.92% and 6.00% respectively.
- ① • Since 1972, Stockton and Sacramento reduced race dates by 16.67% and 14.29% while Bay Meadows and Golden Gate Fields increased race dates by 32.50% and 24.70%
- In 1986, Bay Meadows ran 102 days. In 2000, Bay Meadows ran 106 days even though there were 45.63% fewer horses bred than in 1986.
- In 1986, Golden Gate Fields ran 100 days. In 2000, Golden Gate Fields ran 106 days even though there 45.63% were fewer horses bred than in 1986.

San Joaquin County Fair, Stockton

Race Dates History

1982 to 2001

Year	Calendar Dates	Race Dates	Days of Overlap	Year	Calendar Dates	Race Dates	Days of Overlap
1982	SOLO	08/09/82 - 08/21/82	0	1993	STK	06/16/93 - 06/28/93	12
1983	SOLO	08/08/83 - 08/20/83	0	1994	GGF	01/30/93 - 06/29/93	12
1984	SOLO	08/07/84 - 08/19/84	0	1995	STK	06/14/94 - 06/26/94	10
1985	SOLO	08/06/85 - 08/18/85	0	1996	GGF	02/02/94 - 06/26/94	8
1986	SOLO	08/05/86 - 08/17/86	0	1997	STK	06/14/95 - 06/25/95	10
1987	SOLO	08/11/87 - 08/23/87	0	1998	GGF	04/14/95 - 06/25/95	9
1988	STK	06/14/88 - 06/26/88	10	1999	STK	06/12/96 - 06/23/96	10
1989	GGF	01/26/88 - 06/26/88	10	2000	GGF	03/27/96 - 06/16/96	4
1990	STK	06/13/89 - 08/25/89	10	2001	STK	06/13/01 - 06/24/01	5
1991	GGF	01/25/89 - 06/25/89	9		BM	04/04/01 - 06/17/01	3
1992	STK	06/12/90 - 06/24/90	9				
	GGF	01/25/90 - 06/25/90	9				
	STK	06/11/91 - 06/23/91	13				
	GGF	01/24/91 - 06/24/91	13				
	STK	06/16/92 - 06/28/92	13				
	GGF	01/30/92 - 06/29/92	13				

Overlap of Stockton started in 1988

San Joaquin County Fair, Stockton Race Dates History (1982-2001)

Highlight:

Racing at the San Joaquin County Fair dates back to the 1850's. Modern pari-mutuel racing began at that Fair in 1934. For most of that history, the Fair has conducted racing solo in Northern California. Ten days of overlap with Golden Gate Fields began in 1988. In the mid 90's, after several years of overlap, Stockton reduced its racing days from 13 to 10, a reduction of 23%.

- Racing began at the San Joaquin County Fair in 1852.
- The modern era of California horse racing began at the San Joaquin County Fair in 1933. The Fair was the first association in California history to conduct racing using the newly legalized system of pari-mutuel wagering.
- In the 1970's and through the late-1980's, Stockton conducted up to thirteen days (13) of unoverlapped racing in northern California
- ① • Stockton ran without any type of overlap until 1988.
- In 1988, Stockton race dates were changed from August to June. Golden Gate Fields overlapped ten of their thirteen days of racing.
- ② • In 1996, the overlap was reduced from 9 to 5 days.
- From 1997 to 2000, the overlap between Stockton and Golden Gate Fields was 4 days during the first week of the Stockton meet.
- ③ • In 2001, the overlap increased to 5 days when the CHRB granted Bay Meadows an overlapping date on Stockton's Opening Day.

California State Fair, Sacramento



Race Dates History 1976 to 2000

Year	Calendar Dates	Days Run	Days of Overlap	Year	Calendar Dates	Days Run	Days of Overlap
1976	SAC 08/23/76 - 09/07/76 BM 09/07/76 - 10/02/76	14	1-1	1989	SAC 08/22/89 - 09/04/89 BM 08/25/89 - 12/24/99	13	9
1977	SAC 08/22/77 - 09/06/77 BM 09/05/77 - 10/01/77	14	2	1990	SAC 08/21/90 - 09/03/90 BM 8/24/90 - 12/24/90	13	9
1978	SAC 08/21/78 - 09/05/78 BM 09/04/78 - 09/30/78	14	2	1991	SAC 08/20/91 - 09/02/91 BM 08/21/91 - 12/22/91	13	11
1979	SAC 08/20/79 - 09/04/79 BM 09/03/79 - 10/02/79	14	2	1992	SAC 08/25/92 - 09/07/92 BM 08/27/92 - 12/20/92	13	10
1980	SAC 08/18/80 - 09/01/80 SMF 09/01/80 - 10/11/80	14	1	1993	SAC 08/24/93 - 09/06/93 BM 08/27/93 - 12/19/93	13	7
1981	SAC 08/24/81 - 09/07/81 SMF 09/07/81 - 09/19/81	14	1	1994	SAC 08/23/94 - 09/05/94 BM 08/26/94 - 12/24/94	13	8
1982	SAC 08/24/82 - 09/06/82 SMF 09/06/82 - 09/19/82	14	1	1995	SAC 08/21/95 - 09/04/95 BM 09/01/95 - 12/23/95	13	7
1983	SAC 08/21/83 - 09/05/83 SMF 09/05/83 - 09/18/83	14	1	1996	SAC 08/21/96 - 09/02/96 BM 08/30/96 - 11/04/96	12	4
1984	SAC 08/21/84 - 09/03/84 SMF 09/01/84 - 09/15/84	14	3	1997	SAC 08/20/97 - 09/01/97 BM 08/29/97 - 11/16/97	11	4
1985	SAC 08/20/85 - 09/02/85 SMF 08/31/85 - 09/14/85	13	3	1998	SAC 08/26/98 - 09/07/98 BM 09/04/98 - 11/15/98	12	4
1986	SAC 08/19/86 - 09/01/86 SMF 08/30/86 - 09/13/86	13	3	1999	SAC 08/25/99 - 09/06/99 BM 09/03/99 - 11/14/99	12	4
1987	SAC 08/25/87 - 09/07/87 SMF 09/05/87 - 09/19/87	13	3	2000	SAC 08/23/00 - 09/04/00 BM 09/01/00 - 11/12/00	12	4
1988	SAC 08/23/88 - 09/05/88 BM 08/24/88 - 12/24/88	13	11-3				

Expanded Overlap began in 1988

California State Fair, Sacramento

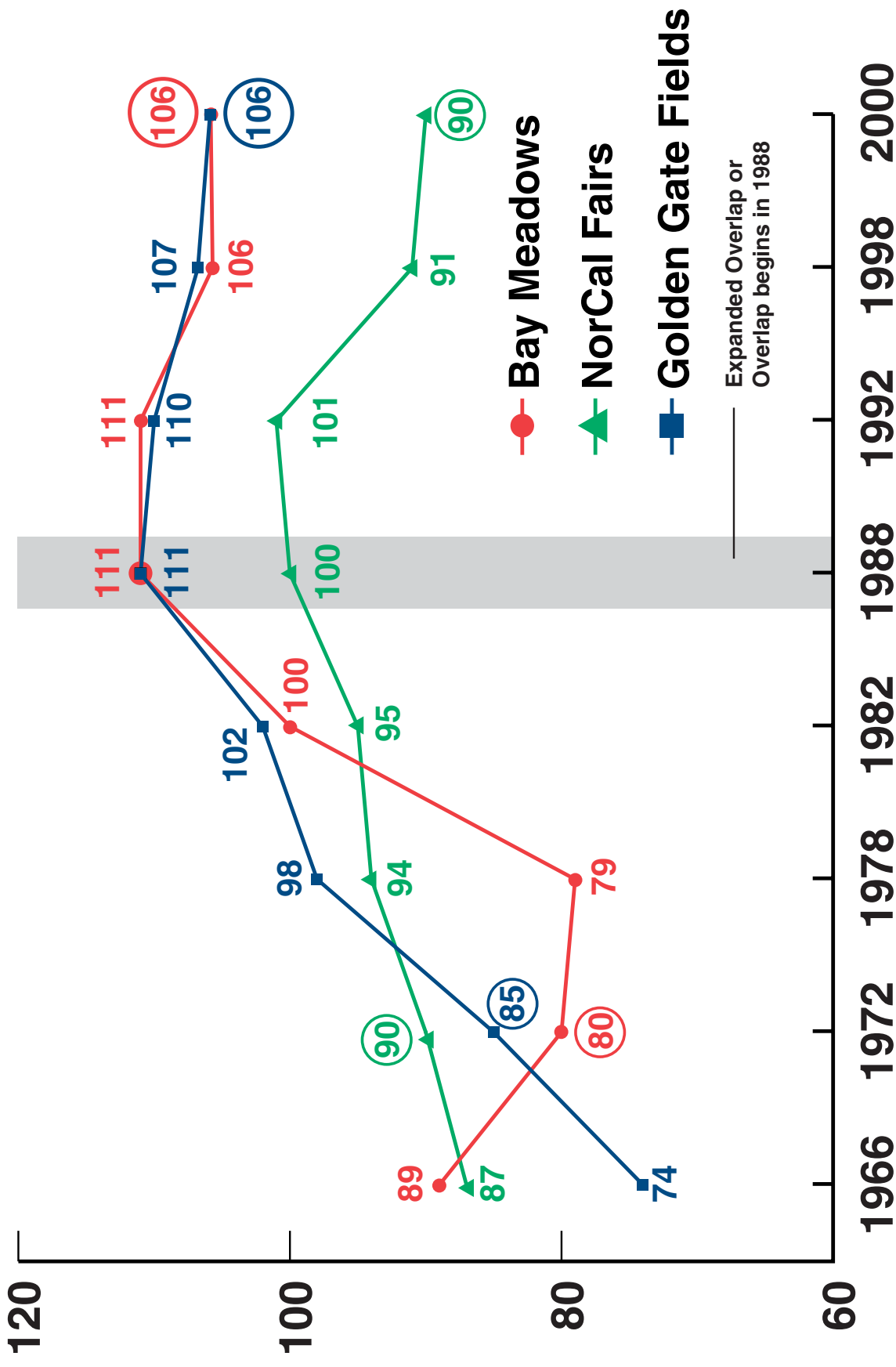
Race Dates History (1976-2000)

Highlight:

Racing at the California State Fair dates back to the 1850's. For most of that history, the Fair has conducted racing solo in Northern California. Eleven days of overlap with Bay Meadows began in 1988. In 1996, after eight years of overlap, the State fair reduced its racing days to 12. The number of overlapping dates for the California State Fair has varied over time, from zero, for most of the State Fair's history, to as many as eleven in the late 80's.

- Racing began at the California State Fair in 1854.
- Until 1968, the State Fair meeting operated without any overlap.
- ① • In 1976, the Fair was overlapped only on Labor Day.
- In 1977, the overlap increased to 2 days.
- ② • From 1980 to 1983, the overlap was reduced to 1 day.
- From 1984 to 1987, there were 3 days of overlap.
- ③ • In 1988, the overlap increased to 11 days.
- In 1994, the overlap was reduced to 8 days.
- ④ • Since 1996, the overlap has been 4 days. (Friday through Labor Day)

Historical Northern California Dates Allocation 1966 to 2000



Note: Expanded Overlap or Overlap Began in 1988

Historical Northern California Race Dates Allocation

1966-2000

- Fair racing dates rose from the mid-60's through the late-80's, peaking in 1992 at 101 days. After 1992, the number of Fair dates declined back to levels raced in the early 70's.
- Golden Gate Fields' and Bay Meadows' dates rose steadily from the mid-60's on through the early-90's. Since the early 90's, the dates at those two tracks remained at that same plateau.
- In 2000, Fairs raced the same number of dates (90) as they did in 1972. In 2000, Golden Gate Fields and Bay Meadows raced 47 days more (28.48%) than they did in 1972.



Number of Race Dates Run Northern California Fairs 1970 to 2000

	<u>Stockton</u>	<u>Pleasanton</u>	<u>Vallejo</u>	<u>Santa Rosa</u>	<u>San Mateo</u>	<u>Ferrndale</u>	<u>Sacramento</u>	<u>Fresno</u>
1970	10	12	12	12	12	7	14	9
1974	11	12	12	12	11	8	14	11
1978	12	12	12	12	12	9	14	11
1982	12	12	12	12	12	9	14	12
1984	12	13	12	13	13	9	14	11
1986	13	13	13	13	13	9	13	13
1988	13	13	13	13	12	10	13	13
1990	13	13	13	13	12	10	13	13
1992	13	13	13	13	12	10	13	14
1994	12	13	13	13	12	10	13	10
1996	10	11	11	12	12	10	12	10
1997	10	11	11	12	12	10	11	10
1998	10	12	12	12	12	10	12	11
1999	10	11	12	12	12	10	12	11
2000	10	11	12	12	12	10	12	11

% Difference
1986 to 2000

-23.08%

-15.38%

-7.69%

-7.69%

-7.69%

11.11%

-7.69%

-15.38%

% Difference
1994 to 2000

-16.67%

-15.38%

-7.69%

-7.69%

0.00%

0.00%

-7.69%

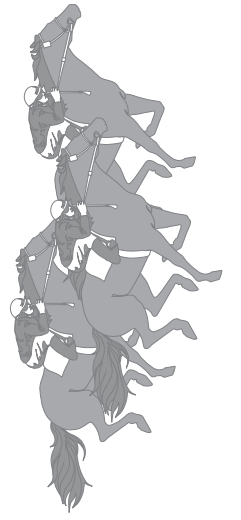
10.00%

Number of Race Dates Run at Northern California Fairs

Highlight:

Since 1986, every northern California Fair has reduced racing dates. Individual Fairs have reduced dates between 15 and 23 percent.

- Since 1986, northern California Fairs have reduced dates to offset the demand on the horse supply.
- Since 1986, individual, overlapped fairs have reduced their dates between 15 and 23 percent.
- In 1988 when overlap was instituted, Stockton ran 13 days. In 2000, Stockton ran 10 days, a reduction of 23%.
- Since 1988, California State Fair has reduced its racing dates from 13 days to 12 days, a reduction of 7.69%.
- The northern California Fairs led the way in synchronizing racing schedules and post times with southern California tracks so as to present the best possible statewide simulcast program.



Northern California Racing Dates Correlated to California Foal Crop & North American Foal Crop Production 1970-1999

California's annual foal crop rose steadily from 1970 through the mid-1980's, then declined to its 1970 levels. Northern California racing dates paralleled annual foal crop trends until the mid-80's. From the mid-80's until the present, Northern California dates have continued to increase and foal crop numbers have dropped. Racing dates allocated in 1970: 250. Racing dates allocated in 1999: 297.

From 1970 to 1999 the race dates have increased by 18.80 percent while the California foal crop has dropped by 11.28 percent. The number of Northern California Fair racing dates has tracked almost exactly the trend shown by the California annual foal crop, rising through the late-80's, then declining to present levels. The number of dates run at Golden Gate Fields and Bay Meadows has remained at the same high level reached in the early 90's, when the foal crop peaked. This high level of racing dates, outstripping the supply of thoroughbred foals, has led inevitably to a shortage of horses.

Since 1989, the number of California breeders has dropped by approximately 38%. The number of California owners has decreased by approximately 20%.



Annual California Foal Crop 1970 to 1999



Year	Registered Foals	% of USA Crop
1970	3,662	12.60%
1972	3,977 ▲	13.70%
1974	3,821	13.20%
1976	3,915	13.54%
(1978)	(3,856)	13.30%
1980	4,117 ▲	12.50%
1982	4,868	12.30%
1984	5,832	11.90%
(1986)	(5,976) ▲	(12.60%)
*1989 (second year of overlap)	5,714 ▼	12.90%
1990	5,284	13.10%
1992	4,170	11.90%
1994	3,587	11.20%
1996	3,196 ▼	9.90%
1998	3,209 —	9.80%
1999	3,249 —	(9.80%)

Percentage Change by Decade

1970 to 1980 12.42%

1980 to 1990 23.34%

②—1990 to 1999 -38.50% ▼

Overlap in existence

Relating to Overlap in No. Cal

1978 to 1986 54.97% Pre Overlap

③—1986 to 1999 -45.63% ▼

Overlap in existence

- In 1994, Florida overtook California to become the nation's second largest producer of Thoroughbred foals.
- In 1999, Kentucky registered 6,568 more Thoroughbreds than California.
- The 1990 foal crop compares to the 1970 crop Northern California racing dates in 1970: 250. Dates in 1999: 297

③

Annual California Foal Crop 1970 to 1999

Highlight:

The California annual foal crop rose steadily from 1970 through the mid-1980's, then declined to its 1970 levels. Northern California racing dates paralleled annual foal crop trends until the mid-80's. From the mid-80's until the present, Northern California dates have continued to increase and foal crop numbers have dropped. Racing dates allocated in 1970: 250. Racing dates allocated in 1999: 297.

- ① • Two years (1986) before overlap was instituted (1988), the California foal crop reached an all-time high of 5,976.
- ② • From 1990 to 1999, the California foal crop decreased by 38.50%
- ③ • Since overlap was expanded in 1987, the California foal crop has decreased by 45.63% (1986 to 1999)
- From 1986 to 1998, the California foal crop declined each year.
- The 1999 foal crop compares to the 1970 crop. The total number of northern California race dates allocated in 1970 was 250; the total number of dates in 1999 was 297.
- Since 1989, the number of California breeders has dropped 38%
- Since 1989, the number of California owners has dropped 20%



Annual North American Foal Crop 1970 to 1999

Year	Foals Registered	Year	Foals Registered	Year	Foals Registered
1970	24,361	1980	35,679 ▲	1990	44,143 ▼
1972	25,726 ▲	1982	42,984	1992	38,437
1974	27,586	1984	49,247	1994	35,340 ▼
1976	28,809	1986	51,296 ▲	1996	35,359
1978	31,510 ▲	* 1988	49,220 ▼	1998	35,878 —
1979	32,904 ▲	1989	48,235	1999	36,500 (est.)

Total for Decade 280,315

Total for Decade 463,827

Total for Decade 374,682^^

** estimated figure

* Expanded Overlap or Overlap Began in 1988

Percentage Change by Decade	
1970 to 1979	35.06% ▲
1979 to 1989	46.59% ▲
1989 to 1999	-24.33% ▼

Relating to Overlap in No. CA	
1978 to 1986	62.79% ▲
1986 to 1999	-28.84% ▼

Overlap in existence

• Foal crop peaked in 1986.

• Northern California race dates peaked in 1990, when the 1986 foal crop had its greatest contribution to the supply of available horses.



Annual North American Foal Crop 1970 to 1999

Highlight:

The annual California foal crop tracks the trend shown by the North American foal crop, increasing from 1960 through the mid-1980's, then declining to levels of the 1970's.

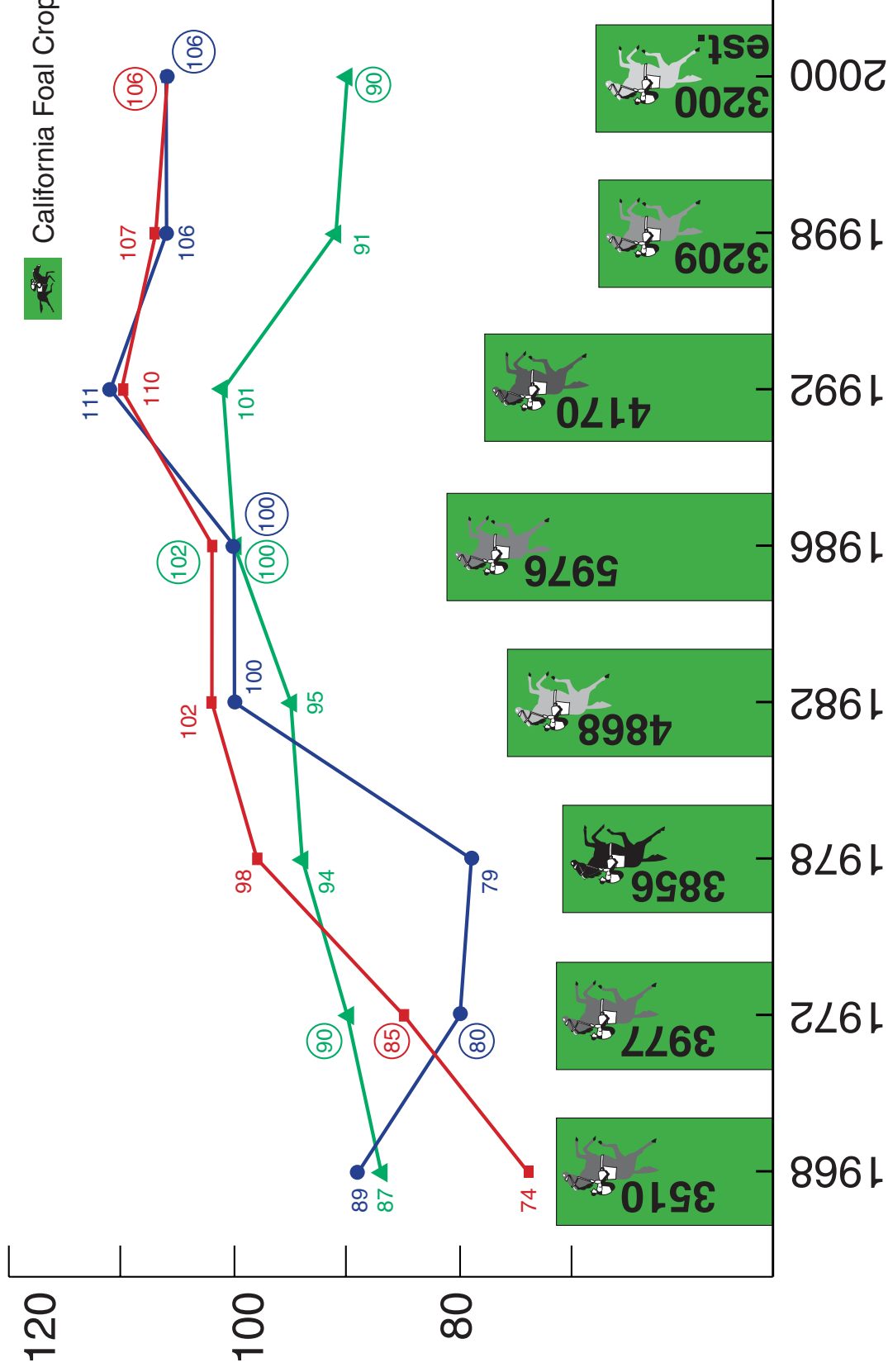
- From 1970 to 1986, the North American foal crop increased every year.
- Expanded overlap was instituted in 1988 even though the foal crop was beginning to decline.
- The North American registered Foal Crop of 1996 reflected the end of nine consecutive years of decline.
- ① • The foal crop reached an all-time high of 51,296 in 1986. From 1986 to 1998, the Foal Crop declined by 28.84%
- The foal crop decreased by 24.33% from 1989 to 1999 while overlap was in effect.



Northern California Dates Allocation 1968 to 2000

Correlated to Annual California Foal Crop

- Bay Meadows
- Golden Gate Fields
- ▲ NorCal Fairs
- California Foal Crop



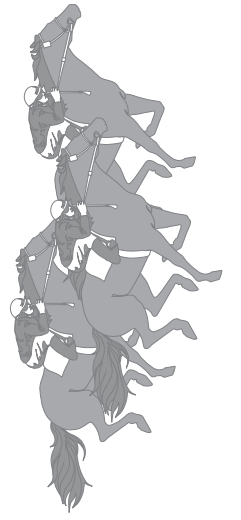
Expanded Overlap or Overlap Implemented in 1988

Northern California Racing Dates Correlated to Annual California Foal Crop

Highlight:

California's Annual Foal crop rose steadily from 1970 to a peak in 1986, then declined back to 1970 levels. Northern California Fair racing dates parallel the trend shown by the California Annual Foal crop, rising through the late 80's, then returning to 1970 levels. Racing dates at Bay Meadows and Golden Gate Fields rose to historically high levels in the late 80's, at the peak of foal production, and have remained at or near that level up to the present. California Foal crop in 1970: 3,662. Foal crop in 1998: 3,209. Racing dates in allocated in 1972: 255. Racing dates allocated in 1998: 304

- California Foal crop production peaked in 1986 at 5,976, then began a decline that continues to the present.
- The number of racing dates run at Fairs tracks closely with California Foal crop production from 1970 through a peak in the late '80's, right on through to the present.
- The number of racing dates run at Bay Meadows and Golden Gate Fields have remained at or near their historical peak since the late 80's. This has driven the regional total higher, in spite of reductions in dates run by the Fairs
- The trend in regional racing dates diverges from the downward trend in supply of Thoroughbred Foals. These diverging trends in supply and demand have contributed to a shortage of horses in Northern California.

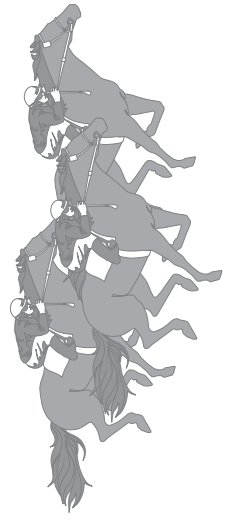


Conclusion

This Report has demonstrated that the historical trend for total number of racing dates in Northern California is out of sync with California's annual foal crop production. They rose together until the late '80's, then diverged. This has contributed to a shortage of horses in the region. The foal crop production has not risen in the last few years, so the racing industry can reasonably expect that the shortage of horses will persist into the near-term future.

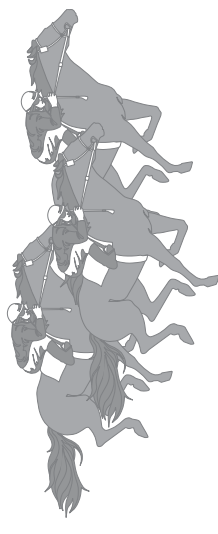
Overlapping racing dates in Northern California exaggerate the problems caused by a shortage of horses. The horse population in Northern California cannot presently support full competitive fields, across all classes of horses, at two simultaneous race meets. Field sizes at both meetings are adversely affected. Overlapping dates introduce additional strain on CHRB personnel and budget resources, requiring a second complement of CHRB officials and staff. Overlapping dates create an artificial shortage of qualified personnel with special skills, e.g., Racing Secretary, Patrol Judges, Clerk of Scales, Paymaster, Mutuel clerks, etc. Duplicate key positions must be filled simultaneously at two Northern tracks. The situation creates the same shortages with respect to specialized vendors, such as Photo Finish, Television Production, Satellite Uplink Services, Starting Gate, etc. Finally, the unnecessary competition for horses, personnel and specialized vendors works against a constructive working relationship between Fairs and the private associations in Northern California. Whereas we could be working together to solve issues such as adequate training and stabling facilities or encouraging horses to race in Northern California, more often than not we find ourselves in disagreement over distributions, horses, purses, shared expenses, etc. We believe that continuing this situation is not in the best interest of racing.

California cannot increase its foal crop overnight. There are too many economic factors contributing to the reduction over the last ten years for the problem to lend itself to easy solutions. With foal production static since 1997, the horse shortage in Northern California will be with us for the near-term future. We hope that all sectors of the California racing industry will work together toward correcting this problem. Fairs are committed to working toward its solution.



Appendices

1. San Joaquin County Fair (Stockton) Handle Comparison
2. California State Fair (Sacramento) Handle Comparison
3. Out-of-State Handle & Revenue Report



San Joaquin County Fair Stockton

Handle Comparison 1st Week (5 Days of Overlap) versus 2nd Week (5 Days of No-Overlap)

Year	10 Day Meet	Live Race Handle	Out-of-Zone Handle	Interstate Handle	International Handle	Total Handle
1999	1st Week (5 Day Overlap) Overlap	\$ 2,772,755	\$ 0	\$ 0	\$ 0	\$ 2,772,755
	2nd Week (5 Days Alone) No Overlap	\$ 5,606,273 ▲	\$ 3,440,645 ▲	\$ 2,405,375 ▲	\$ 91,977 ▲	\$ 11,544,271
% Difference 1st week vs 2nd week		102%	100%	100%	100%	316%
2000	1st Week (5 Day Overlap) Overlap	\$ 2,904,430	\$ 0	\$ 0	\$ 0	\$ 2,904,430
	2nd Week (5 Days Alone) No Overlap	\$ 6,083,854 ▲	\$ 3,789,507 ▲	\$ 2,646,932 ▲	\$ 0	\$ 12,520,294
% Difference 1st week vs 2nd week		109%	100%	100%	\$ 0	331%

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Handle Comparison San Joaquin County Fair Overlapped versus Unoverlapped days

(1st Week versus 2nd Week)

Highlight:

Same-year handle comparisons of overlapped vs. Unoverlapped dates at the San Joaquin County Fair show the impact of overlap on Fair revenues.

- ① • In 1999, during the first five days of racing (overlapped) the fair handled \$2,772,755 while during the last five days of racing (unoverlapped) the handle increased by 316.00% to \$11,544,271.
- ② • In 2000, during the first five days of racing (overlapped) the fair handled \$2,904,430 while during the last five days of racing (unoverlapped) the handle increased by 331.00% to \$12,520,294.
- In 2000, the fairs live handle increased by 109.00% when comparing the five overlapped days (1st week) versus the five unoverlapped days the following week (2nd week).



California State Fair Sacramento

Handle Comparison 1st Week (Fri, Sat, Sun, Mon) Unoverlapped versus 2nd Week (Fri, Sat, Sun, Mon) Overlapped

Year	4 Days -vs- 4 Days	Live Race Handle	Out-of-Zone Handle	Interstate Handle	International Handle	Total Handle
1999						
1st Week (Fri, Sat, Sun, Mon)	(No Overlap)	\$ 4,068,396	\$ 3,300,725	\$ 1,665,696	\$ 0	\$ 9,034,818
2nd Week (Fri, Sat, Sun, Mon)	(Overlap)	\$ 2,903,326	\$ 0	\$ 0	\$ 0	\$ 2,903,326
% Difference		-28.64%	-100.00%	-100.00%	n/a	-67.87%
1st week vs 2nd week						
2000						
1st Week (Fri, Sat, Sun, Mon)	(No Overlap)	\$ 4,983,281	\$ 2,977,569	\$ 2,008,853	\$ 36,163	\$ 10,005,866
2nd Week (Fri, Sat, Sun, Mon)	(Overlap)	\$ 2,831,176	\$ 0	\$ 0	\$ 0	\$ 2,831,176
% Difference		-43.19%	-100.00%	-100.00%	-100.00%	-71.70%
1st week vs 2nd week						

Handle Comparison California State Fair Unoverlapped versus Overlap Periods

(Friday, Saturday, Sunday & Monday)

Highlight:

Same-year handle comparisons of overlapped vs. unoverlapped dates at the California State Fair show the impact of two meetings operating simultaneously.

- ① • In 1999, during the first week of racing (unoverlapped) the fair handled \$9,034,818 while during the second week of racing (overlapped) the handle declined by 67.87% to \$2,903,326.
- ② • In 2000, during the first week of racing (unoverlapped) the fair handled \$10,005,866 while during the second week of racing (overlapped) the handle declined by 71.70% to \$2,831,176.
- ③ • In 2000, the Fairs live handle dropped by 43.19% when comparing unoverlapped days (Friday to Monday) versus overlap days the following weekend.

Northern California Fairs Out-of-State Handle and Revenue Report 1994 to 2000



	1994	1996	1998	2000
Unoverlapped Fairs Handle				
Pleasanton	\$ 2,244,372	\$ 3,964,471	\$ 3,977,825	\$ 8,083,952
Vallejo	\$ 2,040,409	\$ 3,379,835	\$ 3,950,551	\$ 10,049,386
Santa Rosa	\$ 2,961,534	\$ 4,111,512	\$ 4,637,278	\$ 12,035,136
San Mateo	\$ 2,785,002	\$ 4,599,449	\$ 4,726,871	\$ 10,478,489
Overlapped Fairs				
Stockton	\$ 160,760	\$ 940,873	\$ 1,698,795	\$ 2,733,271
Sacramento	\$ 456,232	\$ 1,536,087	\$ 2,010,976	\$ 5,620,578
Revenue Unoverlapped Fairs				
Pleasanton	\$ 51,349	\$ 80,884	\$ 95,012	\$ 209,586
Vallejo	\$ 52,602	\$ 76,568	\$ 107,938	\$ 267,565
Santa Rosa	\$ 62,246	\$ 83,858	\$ 116,249	\$ 322,017
San Mateo	\$ 66,238	\$ 96,432	\$ 113,844	\$ 279,821
Overlapped Fairs				
Stockton	\$ 6,800	\$ 25,612	\$ 49,239	\$ 82,454
Sacramento	\$ 7,070	\$ 39,014	\$ 60,627	\$ 158,600

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Out-of-State Handle & Revenue Report

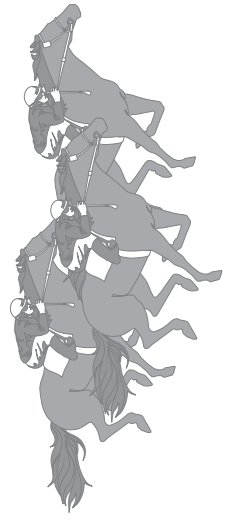
Northern California Fairs

1994 to 2000

Highlight:

Simulcast revenue from out-of-state has been the single biggest growth sector in California racing for the last ten years. Overlapped Fairs have not been able to participate in this growth to the same extent as every other association in the State.

- The legislation that allowed overlapping racing dates in northern California was enacted before the growth in out-of-state simulcasting. Fairs do not share in out-of-state revenues during the overlap period.
- Simulcasting revenue from out-of-state has been the single biggest growth sector in California racing for the past ten years.
- Although every other racing association in California has realized tremendous gains from out-of-state simulcast revenues, Stockton and Sacramento have not been able to benefit to the same extent because of overlap.
- ① • In 2000, Stockton, an overlapped Fair handled \$2,733,271 on out-of-state simulcasting while an unoverlapped fair such as Vallejo handled \$10,049,386.
- In 2000, the average out-of-state total handle for an unoverlapped fair was \$10,161,740 while Stockton's and Sacramento's average out-of-state total handle was \$4,176,925.
- ② • As an impact of overlap, Stockton's revenue from out-of-state simulcasting was just \$82,454 in 2000, while Santa Rosa's was \$322,017. Santa Rosa has no overlapping dates.
- The average revenue from out-of-state simulcasting for unoverlapped fairs in 2000 was \$269,747. Overlapping dates limited Sacramento's revenue to \$158,600.



References

Section III

Runner's Report

California Horse Racing Board Statistical Reports

California Horse Racing Information Management System (CHRIMS)

Section IV

Historical Date Allocations

California Horse Racing Board Statistical Reports

California Horse Racing Information Management System (CHRIMS)

Section V

Annual Foal Crop Numbers

California Thoroughbred Breeders Association Reports

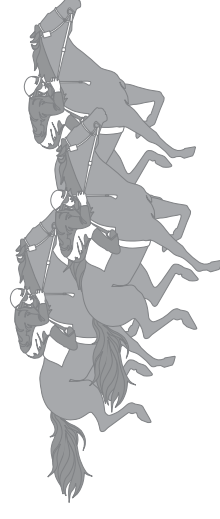
The Jockey Club

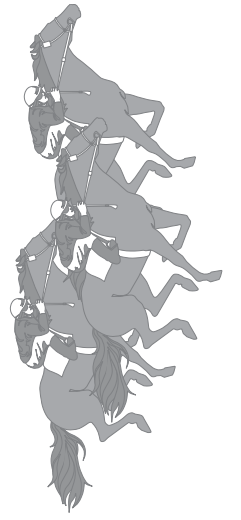
Section VI

Out-of-State Handle and Revenue Report

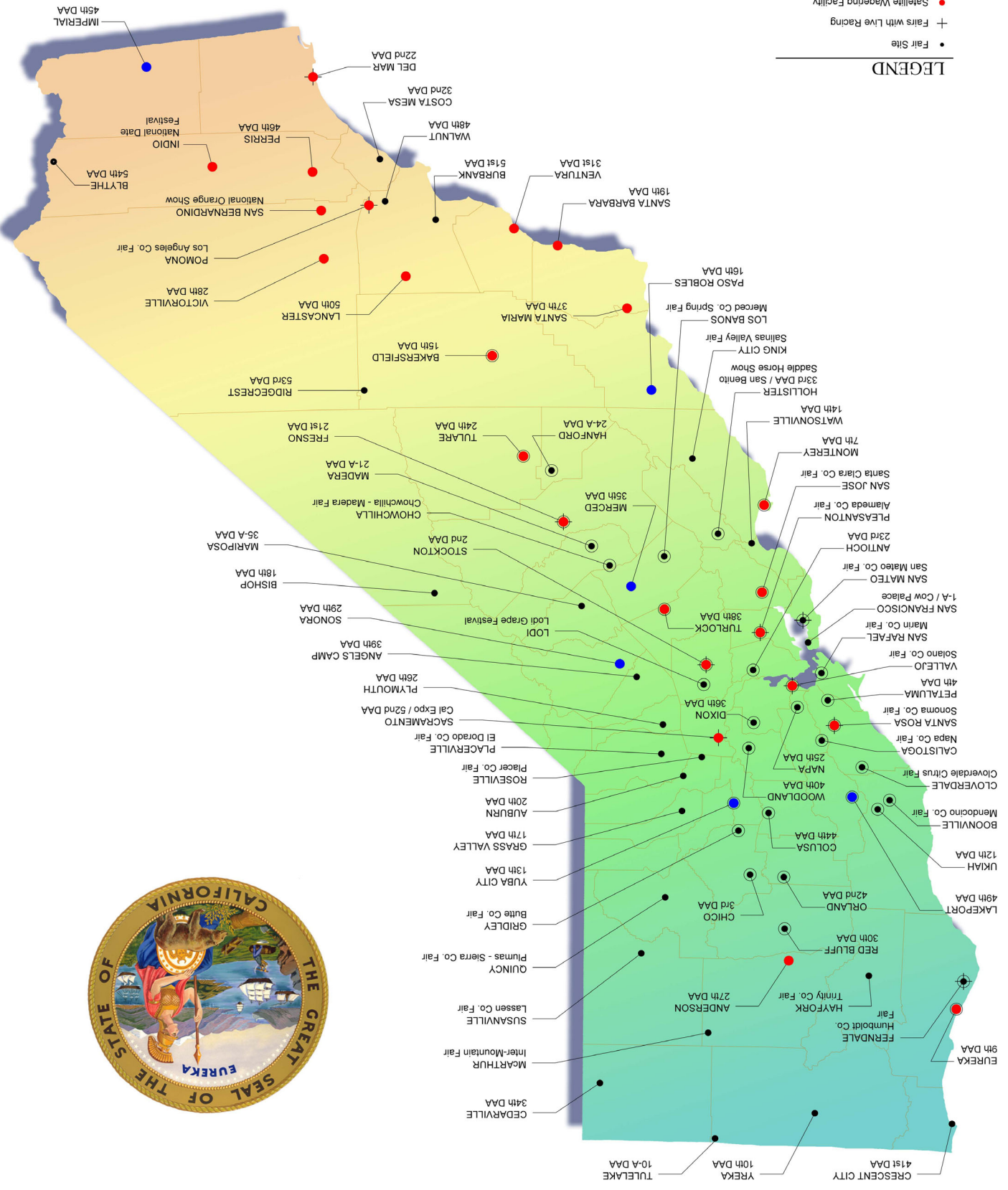
California Horse Racing Board Statistical Reports

California Horse Racing Information Management System (CHRIMS)





CALIFORNIA FAIRS



LEGEND

- Fair Site
- + Fairs with Live Racing
- Satellite Weighing Facility
- Special Event Centers
- OES Mobilization Sites

DAA= District Agricultural Association



