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Personal Touch

INDEPENDENT CONSIGNORS
LIKE SUZI SHOEMAKER
FIND THEIR NICHE IN
THE MARKETPLACE

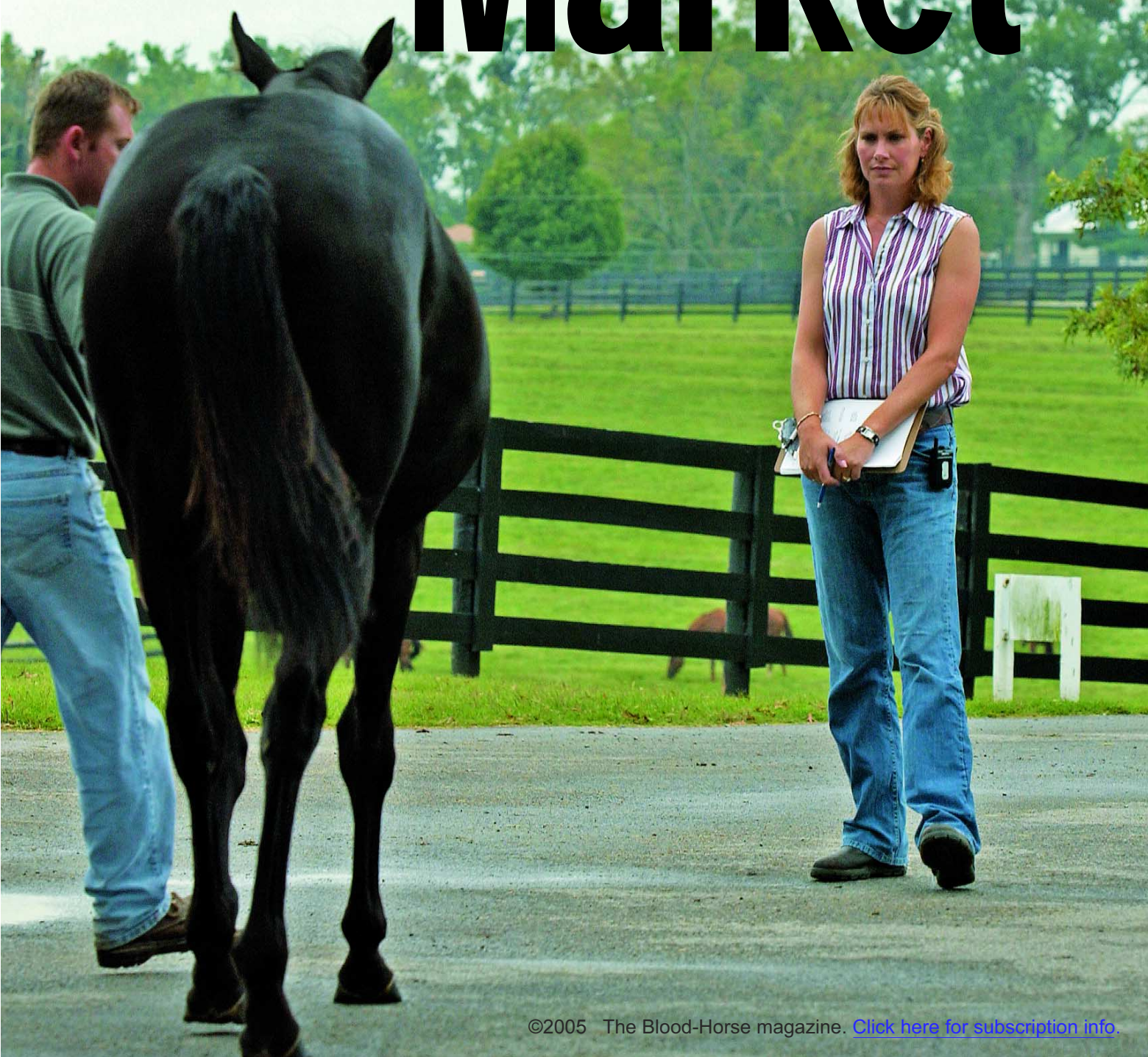
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'Farmer's Market'



*Small, independent consignors
seek to offer more personal service
than large agencies*

BY DEIRDRE B. BILES

They are the Thoroughbred industry's family-owned hardware stores, trying to compete against giants like Wal-Mart and Home Depot. They are the small, independent consignors, who hope their personal touch can make up for the lack of a flashy marketing campaign, big advertising budget, and huge staff. They are people like Suzi Shoemaker of Lantern Hill Farm, Jody and Michelle Huckabay of Elm Tree Farm, and David Hager of Idle Hour Farm.

You won't find their names among an auction's top-grossing sellers, and their barns aren't routinely filled with horses that can bring seven-figure prices. But these small Kentucky-based consignors—and many others like them—occupy an important niche in the Thoroughbred marketplace, providing their clients with hands-on service some say is missing from larger operations.

Nancy Shuford, the owner of Rock House Farm near Hickory, N.C., usually boards six to eight mares at Elm Tree and sells their offspring through the Huckabays. It's more than just a business relationship; Shuford describes the Elm Tree owners as "good friends." Michelle Huckabay, a North Carolina native, used to work at Rock House.

"Some of the bigger operations are a little intimidating," Shuford said. "They're like, 'do it my way or not at all.' But I can say exactly what I mean to Jody and Michelle, and I don't have to worry about stepping on anybody's toes. We don't always agree about how things should be done, but we can always talk about it. And we always seem to be able to come to an agreement."

Several years ago, Dick Otto was looking for a new home for his Kentucky-based mares. The owner and president of the American Academy of Art in Chicago, Otto said: "I talked to a lot of very knowledgeable people and did my homework. I came up with six

Michelle and Jody Huckabay
at their Elm Tree Farm in Kentucky

ANNE M. EBERHARDT PHOTOS

'Farmer's Market'



David Hager at his Idle Hour Farm in Bourbon County, Kentucky

excellent prospects, some of which were rather large." His final choice was Suzi Shoemaker, whose 144-acre Lantern Hill is near Midway, Ky.

Otto, who keeps five mares at Lantern Hill, has never regretted his decision.

"I've known people from larger farms, and I've observed that you don't always get to deal with the owner of the farm; you just deal with someone down the line," he said. "To me, it's all about communication. Suzi can tell me right away exactly what is going on with one of my horses. She has a lot of personal integrity, and she runs a tight ship."

Shoemaker has been involved in the Thoroughbred business for more than 20 years. She started out in Kentucky with seven leased acres and an elderly broodmare she purchased with \$20,000 of borrowed money.

Today, Shoemaker sends approximately 60 mares from Lantern Hill to the breeding shed each year. She consigns about 25 yearlings and 15 weanlings annually to public auctions—mostly in Kentucky—and also sells broodmares.

Asked how she finds horses to sell, Shoemaker replied: "About one-third of the horses on the farm are owned by myself or in partnership with clients, so that is the key way I supply horses for my consignments.

"Word of mouth and chance acquaintances" are the main ways Shoemaker picks up new clients. She has approximately a half-dozen clients who board mares at Lantern Hill year-round.

"When I was starting out and struggling, I ran advertisements," Shoemaker said, "but I didn't find that to be fruitful. In general, I've found that my best people, the long-term clients, have come to me through other relationships I've had in this business."

Shoemaker added William Punk and Phil DiLeo as clients after she sold them Ordway for \$80,000 at the 1995 Keeneland September yearling auction. Bred by Lantern Hill, Ordway captured the Moet Champagne Stakes (gr. I) the following year.

"They didn't know me, but after Ordway won the Champagne, Mr. Punk called me and said, 'This could be a Breeders' Cup winner; how do you feel about that?'" Shoemaker remembered. "He (Punk) is a very gregarious person.

When Ordway was standing at Claiborne Farm, they wanted to get mares for his book, so we bought some mares and bred some foals in partnership—things like that."

While she's always looking to improve the quality of the horses in her consignments, Shoemaker doesn't dream of selling hundreds of horses one day.

"There are reasons I'm doing this that aren't connected with just being at the top of the leading consignors' list," Shoemaker said. "They don't have anything to do with numbers. They have more to do with personal contact with the animals and the clients. I want those personal relationships more than I want to have a large business. If a horse is in our consignment, most likely I planned the mating, foaled the mare, and raised the horse. I can tell you about all its brothers and sisters.

"The best thing I could think of to describe the difference between a big consignor and a small consignor is that it's like the difference between a supermarket and a farmer's market. We're the farmer's market; we sell what we produce."

Jody Huckabay's goal used to be to increase the size of his auction consignments.

"I always thought bigger was better, and Michelle preached and preached to me that it wasn't," he said. "A few years ago, we got up to where we were selling 60 head of horses in November, and we just didn't do as well. It spread us too thin. We regrouped, and it's been better; we've come back stronger. We know where our little niche is now."

The Huckabays, who concentrate on the Kentucky market, usually sell 12-20 yearlings each year at public auction and another 12-20 weanlings and mares. They have around 30 clients, most of whom board three to five horses apiece at Elm Tree.

Jody Huckabay has a master's degree from the University of Kentucky, where he studied equine nutrition. He used to manage a research farm for the school in addition to operating Elm Tree. Michelle Huckabay has a bachelor's degree in animal science from UK and also worked for Kentucky's Department of Agriculture as a livestock market news reporter.

Jody Huckabay, and his father, the late Dr. Jackie Huckabay, started Elm Tree on 100 acres near Paris, Ky. The farm since has grown to nearly 700 acres. In addition to horses, Elm Tree's operation includes a cattle-raising business that contributes to the farm income. To save money, the Huckabays raise all the farm's bedding and hay.

"We don't have any oil wells pumping," Jody Huckabay said. "We make our living in the horse business. If we don't excel at what we do, we don't get to buy a new car, we don't get to buy a new tractor, or we don't get to buy new horses. We have to make our profits from this farm."

Like Shoemaker, the Huckabays rely on



Suzi Shoemaker owns and operates Lantern Hill Farm near Midway, Ky.

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word of mouth to get clients. Trainers and veteran Elm Tree clients have been good sources for referrals. The Huckabays' strategy to keep clients happy focuses on good communication.

"Some of our clients come to the farm only a couple of times a year, but they can still take a big interest in their horses," Jody Huckabay said. "We try to make it a group effort, looking at each individual mare and discussing the possible genetic match-ups with their owners."

Michelle Huckabay sends clients photos of their horses, and has a goal to establish a farm Web site.

To market Elm Tree and client horses,

vantage. If something does go wrong, you have to take all the heat.

"When MRLS (mare reproductive loss syndrome) came through, we were significantly affected for two years," Michelle Huckabay said. "There were days when you just hated to go out and see what had happened during the night. Jody and I had to make all those phone calls, spreading the bad news on a daily basis."

David Hager of Idle Hour inherited the farm near Paris from his aunt, the late Margaret Rogers, who bred European classic winners Ribocco and Ribero. Prior to her death, Hager managed the farm, which served as Rogers' private breeding, racing,

away 5% (in commission) and you give away name recognition," he said. "You make a lot of contacts through the sales. You get to meet the buyers personally. If an agent sells horses for you, often buyers don't know who the breeder is. Basically, we've found it important to be involved. If people see you and meet you, if they see your horses and like your horses, they start asking you questions about your boarding and about your sales prep business. As one of my friends once said, 'It's not a sale; it's a convention.'"

"To us," Hager continued, "sale income is vital. You don't make that much money boarding horses. You just help the cash flow for the farm."

For Hager, major advertising pushes are too expensive. "As a small farm, we just don't have (the money for) it in our budget," he said. One way he tries to make his consignment stand out is with distinctive decorations. Because Idle Hour is in Bourbon County, Hager got a couple of whiskey barrels and painted Idle Hour's name and the colors of its silks on them.

"We put them at our sale barn with flowers on top," Hager said. "It's something different, and people notice it. We're becoming known as the whiskey barrel farm."

Even so, Hager still thinks his consignment sometimes gets lost in the crowd of the massive Keeneland September yearling sale. He has tried selling some of his young horses as 2-year-olds in training. He also plans to explore other options in 2005. Idle Hour has a consignment at the Ocala Breeders' Sales Co.'s winter mixed auction in Central Florida. In addition, Hager is looking at entering horses in the OBS August yearling sale and Fasig-Tipton Midlantic Eastern fall yearling auction in Maryland. Sending some horses to European sales in another possibility.

"I think the Keeneland September sale has gotten too big," Hager said. "When you concentrate too many horses in one place, the buyers become overly selective because they have so many choices. Also, people tend to want to purchase the best horses they can find at a sale. If you put a horse in a sale where it is going to be one of the better offerings, you have a better chance of earning a little bit more money."

But the best way of all to raise Idle Hour's profile and income, Hager said, is to "produce racehorses. There are marketing tools to get attention but that is the biggest promotion." Hager was the breeder of One Smooth Ride, winner of the 2004 Display Stakes at Woodbine, and Victory Alleged, who scored in last year's Majestic Prince Stakes at Monmouth.

Even though it's not always financially lucrative, Hager said he is happy being a small consignor and running his own farm because "I'm a perfectionist; I like things done my way." 🐾



Shoemaker relies on personal contact with the animals and her clients

the Huckabays don't rely on extensive advertising in trade publications. Instead, before an auction, they send out a card or letter, listing the highlights of their consignment, to people who have bought horses from them in the past.

The biggest money earner ever raised at Elm Tree was You. Bred by Dolphus Morrison, the daughter of You and I captured the 2002 Acorn Stakes (gr. I) and four other grade I events while collecting \$2,101,353. She was a \$9,000 buy-back when Elm Tree consigned her to the 2000 Keeneland September yearling auction. A more recent graduate of the Elm Tree program, During, won the 2003 Swaps Stakes (gr. II) and three other graded events. Bred by Gulf States Racing Stables II, he was a \$350,000 Keeneland September yearling in 2001.

To Jody Huckabay, the best thing about being a small consignor is "you get to reap your rewards. If you get a good horse, you can say, 'we did it.' The results are all from your efforts, not someone else's."

However, a lack of size can be a disad-

and selling operation. Afterward, Hager turned Idle Hour into a more commercial venture, taking in mares to board and yearlings to be broken. He also expanded the farm's size from 135 acres to 462.

During the breeding season, Idle Hour's horse population nears 100 and it falls to around 50 at the quieter times of the year. Nearly all of the 23 mares that stay at Idle Hour year-round belong to Hager. Including boarders, the farm sent 50 mares to the breeding shed in 2004.

"Our goal is to have a nice, quality type of operation," Hager said. "There's not a whole lot of flash. We just go about trying to raise a good horse. We're kind of low key."

Hager usually sells 12-15 yearlings each year. His wife, Betsy, contributes to family finances by working as the office manager at Dr. Tony Ryan's Castleton Lyons farm near Lexington.

While he could send the Idle Hour-raised horses to a large consignor, Hager prefers for his farm to have a presence at the sales.

"If you sell with someone else, you give