



Racing, Gaming & Entertainment LLC

FY25 Analysis and Study of the New Mexico Horseracing Industry

Prepared for the New Mexico Racing Commission



Response submitted by Racing, Gaming & Entertainment LLC

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Part One – EXECUTIVE SUMMARY

Executive Summary

Introduction and Methods Used

The New Mexico Racing Commission (NMRC) on March 7, 2025, advertised seeking proposals “for a contract to provide analysis and study of the New Mexico horseracing industry for the FY25.” Racing, Gaming, & Entertainment LLC (“RGE,” “we” or “our”) was selected on March 31, 2025, to undertake the study based on our proposal.

The Study required the look at quantitative and qualitative data covering many areas within the horse racing industry. Items such as breeding, state-bred races, purses, field size, were all examined with quantitative data while many of the recommendations also required qualitative analysis pertaining to those subjects. Methods used included data collection, benchmarking, interviews, analysis of four years of Daily Racing Form charts, expert evaluation, taking a systems thinking approach to the racing and breeding industry in New Mexico and conducting a full strategic evaluation method.

National Benchmarking

Horse Racing in New Mexico has been sanctioned in the state for almost 90 years. When comparing New Mexico to the national trends, while the national Thoroughbred industry has experienced declines in foal crops, pari-mutuel handle, and races, the New Mexico declines in those areas have been worse. For example, while the national foal crop decreased 52 percent, the New Mexico Thoroughbred foal crop dropped 75 percent during that time.

The Quarter Horse racing has faced declines in races and starters as well; the declines have not been as severe. Both breeds have seen nice gains in purses predominantly fueled by racino gaming funds.

Breeding Benchmarking

Figure 9 U.S. and New Mexico Annual Thoroughbred Foal Crop illustrates the serious drop in the Thoroughbred breeding in New Mexico and at an accelerated rate compared to the U.S. The New Mexico Quarter Horse foal crop has also declined but to a lesser extent and most benchmarks comparing the New Mexico Quarter Horse industry illustrate that it is in a much better position compared to the Thoroughbreds in New Mexico.

The New Mexico racing and breeding industry was benchmarked regionally and compared to tracks in Arizona, California, Colorado, Iowa, Indiana, Louisiana, Minnesota, Oklahoma, Texas, and Wyoming. When focusing on the breeding, New Mexico Thoroughbreds do not benchmark strongly against competing jurisdictions in the region as they are producing less than Louisiana, Oklahoma, and Texas. Indiana was also used as a benchmark as it is a jurisdiction that has sustained its breeding over the past five years while many states have suffered declines.

The New Mexico Quarter Horses are positioned better but still lag behind the three states of Louisiana, Oklahoma and Texas. Quarter Horses were compared to Indiana and Wyoming as well and benchmarked better than those two although Wyoming is a state where Quarter Horse Breeding is growing.

Regional Benchmarking

RGE compared the number of races, fields size, earnings (purses), starters and unique starters (supply), and pari-mutuel handle (demand).

Except for earnings (purses) the New Mexico Thoroughbred racing did not compare well to many other regions. The New Mexico Quarter Horse racing compared very favorably in the number of races, field size, horse supply, and earnings (purses). See the Regional Benchmarking for complete details.

State-bred Races – Regional Benchmarking

The state-bred racing was also benchmarked for the same regional racetracks.

We believe that the current racing in New Mexico relies too much on the local New Mexico Thoroughbred state-bred horses to the detriment of attracting horses from elsewhere. Currently 61.7 percent of all entries in Thoroughbred races in New Mexico are New Mexico state-bred but the foal crop is well below where it was 20 years ago. Indiana, New Mexico, Iowa and Louisiana have the highest percent of state-bred races in our regional comparison. Louisiana has a foal crop that is 2.75 times larger than New Mexico's Thoroughbred foal crop and Iowa state-bred races have one of the smallest average field sizes making it an inferior product.

The New Mexico percentage of state-bred Quarter Horse races is much lower compared to the percentage of New Mexico Thoroughbred races and the Quarter Horse racing in New Mexico is much healthier when looking at most benchmarks regionally and nationally.

As part of the strategic evaluation a SWOT (strengths, weaknesses, opportunities, threats) Analysis, Situational Analysis, and Competitive Forces review were part of the study to help assess best strategies.

SWOT Analysis **and** Competitive Forces

The SWOT Analysis evaluation focused on how to use New Mexico's industry strengths and create opportunities to improve the current environment. The Competitive Forces analysis highlights the fact that the market for horse racing customers, horses, and breeding options regionally are all very competitive.

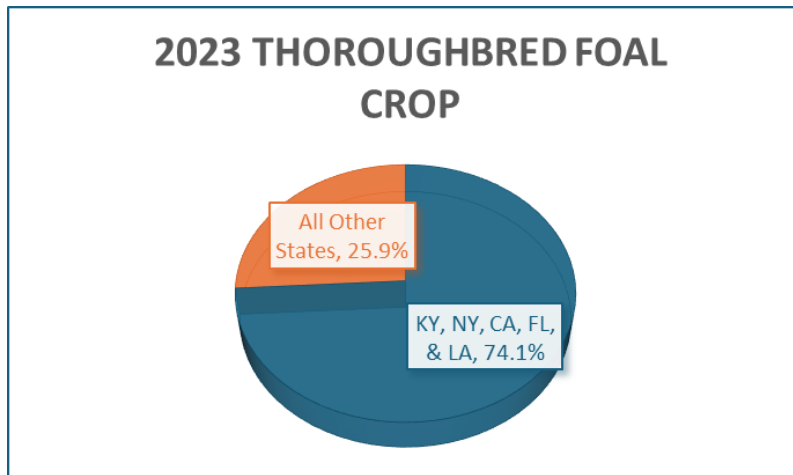
Situational Analysis

The Situational Analysis has many key points that lead to the development of strategies. The national trends in racing had a significant impact on all local racing jurisdictions.

As previously noted, the number of races and supply of Thoroughbred horses (foal crops) declines were from 40 to over 50 percent nationally and worse for New Mexico.

Currently the Thoroughbred market share of foals is dominated by five states. Those five states are 74.1 percent of the entire national Thoroughbred foal crop, with Kentucky at 47.6 percent. This leaves all other states with limited local supply comparatively and perhaps cooperative efforts between regional states should be considered given the market share of a declining supply. The Quarter Horse registrations for 2024 are not nearly as concentrated to just five states but the supply is more regionally centered in the southwest with Texas and Oklahoma having the largest number of registrations.

Figure 1 2023 Thoroughbred Foal Crop - Market Share



Source: 2025 Jockey Club Foal Book

Racing's troubles were disguised by several factors during the 1970s, 80s, and 90s and are discussed in the Situational Analysis. Perhaps the greatest change that masked the decline occurred throughout the 1990s and into the first few years of the next century. With Thoroughbred handle at over 86 percent of all horse race wagering we focused on the trend in Thoroughbred wagering. Prior to and especially during the 1990s there was massive expansion of the distribution of horse race wagering utilizing off-track, inter-track, intra-track, commingling of simulcast racing, full card simulcasting and Advance Deposit Wagering (ADW). Note in 2025, New Mexico has neither Off-track betting (OTB) nor legal Advance Deposit Wagering (ADW).

While ADW was continuing to grow and wagers shifted to that due to the technological advantages and convenience, what happened in 2000 because of the Covid-19 pandemic was a catalyst to make that trend accelerate. The Oregon Hub processes a large majority of ADW pari-mutuel handle and the handle from 2019 to 2020 at the hub increased 53 percent. ADW handle in 2024 from the Oregon Hub is 58 percent of the handle reported in the Jockey Club Fact Book. This is a clear indication of where wagers are placed today. Much if not all this shift in wagering is not an expansion of gaming but a shift in customers' adapting technology to place wagers and have access to greater resources to assist handicapping the race.

The pari-mutuel wagering market is also concentrated among just a few racing organizations and tracks. Racing's market share of handle is dominated by large companies including Churchill Downs, the New York Racing Association (NYRA), and the Stronach Group (1/ST Racing Division). Those three entities alone account for 59 percent of Thoroughbred handle in 2023 on their live races. Adding the next five largest handling tracks and a few Penn Entertainment tracks would account for 82.3 percent of handle. This leaves the rest of the U.S. midsize and smaller tracks competing for just the remaining 17.7 percent of Thoroughbred handle.

Another important trend in recent decades has been the social trend and shift associated with consumers' behaviors and attitudes toward animals that present challenges for the horse racing industry as it tries to foster its social license to operate. The issues confronting racing integrity, safety, and animal

welfare concerns have been well documented in the national and local New Mexico media and industry trade journals.

In the Situational Analysis we focused on New Mexico in relation to the above trends and benchmarking.

New Mexico like almost all horse racing jurisdictions has been impacted by the changing environment outlined regarding the racing and breeding industry trends. New Mexico can't ignore the current environment but if willing to change and grow along with constant monitoring, adjusting the plan based on the metrics that change, and holding stakeholders accountable there is opportunity to improve, and the industry should have advantages in the competitive environment.

This declining Thoroughbred foal crops in New Mexico and nationally coupled with the increased concentration of foals within the top five states making up 74.1 percent of all U.S. foals means New Mexico cannot continue to support any increase in Thoroughbred races without either relying much more on horses bred out of state and/or significantly increasing the local New Mexico state-bred foal crop.

RGE has documented in this study and others that most of the horses participating in races are comprised of horses from four foal crops which represent the horses aged 2,3,4, or 5 years old for that respective year of racing. We also found that most licensed horse owners and trainers live within 370 miles of New Mexico racetracks which may provide an opportunity due to the region concentration of the important stakeholders.

Field size is perhaps the most important determinant of pari-mutuel handle (Figure 67 The Impact of Betting Interests to Handle in New Mexico) but also with more horses running it achieves another goal of adding to the New Mexico economic impact from the industry.

The Situational Analysis also examined the race conditions offered at the New Mexico tracks. RGE looked at the types of conditions offered at each track and the types of restricted race conditions for each breed. Most notably, every track offers consistent conditions for the higher-end (allowance type) horses but are less consistent with the lower maiden claiming and claiming conditions. Likewise, for restricted race conditions, each track offers consistent restricted conditions in the maiden allowance and allowance categories but offer a wide range of conditions in the maiden claiming and claiming levels. Many tracks offer restricted New Mexico-bred races for the lowest level claiming races. We suggest reducing some condition offerings and gaining greater consistency amongst the racetracks for the benefit of owners and trainers planning out the races for their horses.

While not the primary focus of the study but given the systems thinking approach taken and the interrelatedness of all aspects of the industry, we would be remiss if we did not mention the importance of regulation, integrity, safety, and welfare challenges the industry must be diligent about. The state of New Mexico has not avoided the public outcry regarding the safety and welfare issues facing horse racing nationally and this must not be ignored in any strategic plan moving forward. It is important that the highest regulatory standards are always part of any strategic plan and consistency of regulations is important across the industry.

Strategic Plan

The intent of the study is not to determine how New Mexico racing/breeding got to its present position but to look forward and suggest a Strategic Plan to improve racing and breeding in New Mexico as well as suggest Metrics that should be used to measure success and create accountability.

RGE believes the status quo is not a viable option to sustain or improve the racing/breeding industry in New Mexico. The current trends most likely will continue if the status quo is maintained and declines will continue. If declines continue it will not only negatively impact the racing/breeding industry but also lessen the economic impact the industry contributes to the State. Further economic declines will make it hard to avoid public policy scrutiny and question the strong continued support for horse racing.

It should also be noted that the racing/breeding industry in New Mexico cannot be instantly fixed regardless of cause, but a strategy must look at how to build it back up. It will take dramatic change and will take several years. It cannot be instantly turned back in time to where it was in 2007/08 since the data shows the foal crops have declined and cannot currently support what it once was.

Racing Strategies

The goal of the Racing Strategies recommendations is to improve the racing product with the initial focus to improve the Thoroughbred product and race opportunities while maintaining and not negatively impacting the healthy Quarter Horse segment.

The New Mexico supply of racing horses is down. The local supply problem is way too low that New Mexico cannot be an incubator and rely on its own supply with a closed-door point of view. What is needed long term, is to stimulate more local breeding but immediately they must find ways to make it more attractive to outside stables to pursue racing in New Mexico.

There are many strategies to consider and in fact combine tactics. We feel New Mexico needs to look at race meets and circuits to attract more stables that are not predominantly New Mexico bred horses, reconsider race conditions and incentives while always keeping in mind producing an attractive product to keep interest in racing in New Mexico alive for customers, increase economic impact and make racing attractive to potential horse owners/breeders.

Regional partnerships should be considered as few states have the supply and demand to make it on their own given the present trends and market competitiveness.

On the racing side of the industry, we feel that one of the most important aspects to look at is the racing meets, racing circuit, and purses that drive interests from potential suppliers (horse stables/breeders). We will look at potential changes to race meets and the purse structure together.

RGE looked at the advantages and disadvantages of both mixed breed and separate breed race meets. Given the current situational analysis, we feel that separate race meets need to be implemented.

Figure 82 Thoroughbred Racing Calendar and Figure 83 Quarter Horse Racing Calendar in the Strategic Plan must be viewed simultaneously as a model for race meets in New Mexico that provides more opportunities (races) for both breeds with a focus on adding about 30 percent more Thoroughbred races. Analysis indicates that initially, to make the straight Thoroughbred meet work, there will need to be three day per week racing and nine races per day and then build on that number as people view New Mexico as a place to come with Thoroughbreds to race.

Coupled with this tactic we suggest purse pooling only the gaming fund contributions to purses while the track contributions remain where earned. The gaming funds are intended to help the statewide racing and breeding industry and thus the statewide economy. In addition to this goal, pooling the gaming funds will provide more consistent purse structure on a racing circuit to encourage stables to stay in New Mexico longer and not have to migrate to other meets if the purses change significantly to where they are no longer competitive on the circuit.

We do believe it is important to keep the track purses where they are earned to provide horsemen and track operators incentive to improve purses when offering a quality product with full fields and a well-run distribution and marketing of live and simulcast races.

Two distribution models were suggested, a split of 55/45 or 50/50 respectively between Thoroughbred and Quarter Horse, with the important point being a 3–5-year set of metrics to measure the results and adjust moving forward based on metrics.

Breeding Strategies

Both the Quarter Horses and Thoroughbreds have seen a decline in foal production over the past two decades from the peak in production in 2007-2008. The Thoroughbred breeding is in a more tenuous position as there is greater reliance on the New Mexico-bred horses while the foal crop decreases annually. Thus, strategies to turn the trajectory from negative to positive were discussed.

Discussed in the Breeding Strategies, first, and relatively easy to execute, we recommend that the conditions for both breeds be streamlined and made consistent amongst the tracks. This applies to New Mexico-bred and open races. For the higher-level conditions, the recommendation is to offer races where New Mexico-bred horses run for a larger purse than open horses in order to ensure those higher-level races fill at the frequency necessary to satisfy this part of the horse population thus providing these horses a consistent scheduling and running of these races. This would require discussion amongst the racetracks, NMHA, NMHBA and NMRC.

Then we offered strategies that change the way in which Breeders' Awards are paid. Researching other states that have realized levels of success with innovative programs, we proposed New Mexico initiate the following:

- Developer Bonus for the owner of the horse when it makes the first start of its career. The largest outlay of capital with no revenue is when a horse is bought and being prepared for the first career race. This bonus continues to be awarded to the developer even when the horse is sold or claimed away. The details of the percentage of the Developer Bonus and how it is ultimately earned are up to the NMHBA and/or stakeholders. This bonus becomes an incentive to purchase or breed New Mexico-bred horses through the added value to the purchaser/breeder of the young horse.
- Breeders' Awards when racing out-of-state. We showed how Louisiana, Indiana and Texas already offer awards for horses competing out-of-state. Again, the details of this program will be up to stakeholders, but the premise is again, to add value to a New Mexico-bred foal by increasing its earning potential and making it attractive to buyers from outside of New Mexico.
- Mare Purchase Program. The idea of this program is to incentivize breeders or new breeders to bring in new broodmares for accreditation. The program has been very successful in Ontario, Canada and has brought in new bloodlines. There are other jurisdictions that are now copying

the program as the intent is twofold: Raise the caliber of the broodmare population by incorporating new bloodlines. Secondly, the purpose is to raise the number of broodmares becoming accredited and breeding in New Mexico thus subsequently raising the number of foals produced. The program in Ontario applies to both mares already in foal and barren mares to be bred. In the case of mares in foal, the mare must be bred back to an accredited stallion standing in the jurisdiction. This rule should be explored in New Mexico in order to elevate the mare population while also contributing to the foal crop numbers. If a new mare is allowed to foal in New Mexico and that foal be considered a New Mexico-bred, the rule can require the mare be bred back to a New Mexico Stallion in order to achieve New Mexico-bred accreditation. To fully adopt the Ontario program, there will need to be changes to statute 60-1A-24 to allow for a portion of the award to go to a Mare Purchase Program unless a new source of funding is found.

Additionally, we discuss working with developing a circuit with Oklahoma and Arizona and offering restricted races for New Mexico and Arizona-breds and/or New Mexico and Oklahoma-breds, whichever state (or both) that agrees to participate. We heard from some breeders that this is being explored with Arizona thus, if successful, it could be implemented with other states. *(A second calendar was also considered with a circuit developed with other states.)* There are a few places that have tried or are doing this and we spoke to the former racing secretary at Arlington Park in Illinois where races were once written for Illinois, Arkansas and Louisiana-bred horses, particularly at the allowance and maiden allowance levels. Once again, the premise is to give more value to a New Mexico-bred horse, increasing the demand for the New Mexico-bred and thus raising the profit proposition on producing (breeding) New Mexico-breds.

Finally, we looked at the State of Louisiana where the breeding program produces better than average results. Louisiana passed gaming at the racetracks at roughly the same time as New Mexico and through their programs and consistent racing opportunities, have succeeded, becoming the fifth largest state for Thoroughbred foal production and one of the top three for Quarter Horse. Louisiana has more funding for the state-bred programs and as previously mentioned, award Louisiana-breds racing outside the state. The coverage of Louisiana breeding in the report is to initiate thought and glean some of the successes for New Mexico.

Additional Strategies/Tactics

Evident in the situational analysis is the fact that nationally handle has migrated to ADW and New Mexico has lost customers and revenue since the industry does not receive revenue from source market fees. While the revenue gained from ADW will not be a panacea it does provide an opportunity to allocate revenue that shifted to other entities outside of the state to needed sources in-state.

A new system is being developed by the Jockey Club that could help with some of the race condition issues that exist in New Mexico discussed in the situational analysis. If the handicapping race condition system being developed by Equibase to be beta tested this year shows promise, we believe New Mexico should consider adopting it in some cases. It may be a great way to offer both state-bred races and multi-state-bred races discussed in the breeding strategies and thus provide more competitive races that are both attractive to horsemen and consumers.

Marketing was also not a major focus of this study but again given the systems thinking approach it is important if you are going to improve the product you need to also make efforts to market racing and

horse ownership. We recommend discussion of many marketing ideas that were presented in a study for the Iowa Racing and Gaming Commission in August 2024. While some will not work for New Mexico there are many that can be either implemented or modified for New Mexico.

Last, as mentioned in the situational analysis given the interrelatedness of all aspects of a racing system it is important to not lose focus on the importance of the highest standards for integrity, safety and welfare of participants. We suggest looking at some of the recent efforts of the Wyoming Commission to look at both consistency of rules and having an independent third-party review rules and inspect the racing facilities.

Discussion of regulatory tactics to enable changes to enhance the racing/breeding industry in New Mexico

As noted in the NMRC request for this study, our study was to look at recommendations “notwithstanding statutory requirements.” The current regulations were designed for mixed meets and given the strategy of separate meets and often running at the same time some regulations must be changed.

While more detail is provided in the Discussion of regulatory tactics to enable changes to enhance the racing/breeding industry in New Mexico, we feel the regulation changes need to provide some flexibility but also institute metrics to measure progress, provide accountability but the regulations can be written in a way that also offer some assurances that one stakeholder group would not use the law/rule to their advantage without some built in safeguards.

To give the new racing calendar and separate meets a chance for success it will be necessary until the new Thoroughbred-only circuit can be better established to allow for three days a week of racing in jurisdictions where it currently is not. Another change that will enhance the circuit is to allow the SunRay race meet to be run at Albuquerque which provides horsemen less moves seasonally and longer race meets. In addition, a change to NMAC 15.2.3.8 C 4 (e) requiring the “offering” of three New Mexico-bred races per day, which is a function of mixed meet racing, should be relaxed and/or reworded in order to offer competitive New Mexico-bred races at the separate breed race meets as well as allow the open horses enough opportunities to attract stables to New Mexico.

Along with those changes given the declining New Mexico foal crops, the number of New Mexico bred races run cannot be expected to be more then currently provided since two tracks run simultaneously.

Metrics

Vital to any good strategy and tactic implementation is the accountability and measuring of change.

RGE believes that the metrics must have support from the stakeholders but also be measures that properly evaluate progress and provide accountability. We have suggested metrics in four areas. The four categories are: Economic impact and financial, demand, supply, and safety metrics. Some of the metrics cross over multiple areas of interest. For example, supply metrics will certainly have an impact on the economic impact of the State.

Adopting metrics is important to measuring success of changes as well as providing data to assist in amending efforts in an environment that is constantly changing and always impacted by outside forces, competitors, and the economic, social, political, and technological environments.

Closing remark

While the executive summary is just that, a summary, we recognize that given the systems thinking approach and the diversity of interests among stakeholders, the details and analysis discussed throughout this report are comprehensive and in many cases are intertwined with one another. These concepts cannot be adequately presented in an executive summary thus anyone involved in the decisions and implementation of strategies would benefit from a much deeper review of the details presented throughout the study.

(Editor's Note: Throughout the digital version of this document there are many cross references that provide links to other parts of the study for easy access. The entire table of contents and table of figures are such links and if you put the cursor on a section you would like to move to and hold the "ctrl" key and click on the item it will send you to that section. To go back to where you previously were, hold the "alt" key and press the back arrow (<) key. There are similar cross references throughout the document that when your cursor identifies the "ctrl + enter" you can go to that table or section and return using the "alt" back arrow (<).

Part Two – MAIN REPORT

Introduction

The New Mexico Racing Commission (“NMRC” or “Client”) on March 7, 2025, advertised seeking proposals “for a contract to provide analysis and study of the New Mexico horseracing industry for the FY25.” The study would include evaluation of the current state of the industry in the Southwest and provide a long-term strategic plan to sustain, and hopefully strengthen, the racing and breeding industry in New Mexico. Racing, Gaming, & Entertainment LLC (“RGE,” “we” or “our”) was selected on March 31, 2025, to undertake the study based on our proposal.

About This Report

The proposal issued by the NMRC requires the following:

- A. Conduct a study to provide information regarding a long-term strategic plan for racing in the State of New Mexico.
- B. The study would include the evaluation of the current state of the industry in New Mexico and its competitive racing and breeding market. The study shall include recommendations/strategic plan regarding purses, race dates, and, timing of the meets to hopefully strengthen the racing and breeding industry in New Mexico.
- C. Statutory requirements notwithstanding, the study should consider and make necessary recommendations in the following areas:
 - a. Analysis of the competitive racing market with comparisons/benchmarking purses, state-bred races, handle, and other measures the contractor thinks are important.
 - b. Present the pros/cons of mixed split meets and the various seasonality recommendations.
 - c. Review race conditions and the utilization of the horse population or attractiveness to participants from outside New Mexico with recommendations.
 - d. Make any other recommendations to sustain or enhance the racing industry based on the competitive racing market benchmarks and analysis.
 - e. Analysis of the competitive breeding market with comparisons/benchmarking of the programs and incentives with recommendations to sustain or improve the industry in New Mexico.
 - f. Recommend metrics or mechanisms that could be used to measure success and create accountability.
 - g. Discussion of what law or rule changes that could enhance the racing/breeding industry in New Mexico.
 - h. Prioritize recommendations and discuss the potential impacts of the status quo and any changes recommended.
 - i. Suggest/give examples of changes to the existing model based on the findings.

Primary Methods Used

The Study required the look at quantitative and qualitative data covering many areas within the horse racing industry. Items such as breeding, state-bred races, purses, field size, were all looked at with quantitative data while many of the recommendations also required qualitative analysis pertaining to

those subjects. With the vast ground covered in this Study, RGE consultants used a variety of methods to obtain, analyze, and utilize data to make strategic recommendations.

RGE LLC utilized the following primary methods for our research and analysis:

1. Data Collection: Data was collected from numerous sources, including, the NMRC, The Jockey Club Fact Books, The AQHA, Daily Racing Form (DRF) Chart Data, and reports/data provided from major stakeholders, numerous state regulatory reports, and many online informational sources readily available.
2. Interviews were sought (via online video conferencing or phone conferencing) of the major New Mexico stakeholders to gather data and a more detailed understanding of the New Mexico horse racing/breeding industry. Industry experts in other jurisdictions were also interviewed to aid analysis and understanding of best practices elsewhere.
3. Analysis: Daily Racing Form (DRF) data for four years (2021-2024) were analyzed first to determine where New Mexico horsemen participated throughout the year. This data identified the tracks that were essential to study for understanding the New Mexico migration of horses/horsemen and to help with benchmarking and the analysis necessary to make recommendations requested. Once those tracks/states were identified, data from those jurisdictions and national trends were compared to understand the market and seek recommendations. All data collected was reviewed and was used to propose solutions to help sustain and improve the New Mexico horse racing/breeding industry.
4. Experience of relevant jurisdictions – New Mexico cannot operate in a vacuum and thus the data collected, benchmarked, best practices were reviewed to position New Mexico racing for sustaining the industry and improving it in areas long term. Relevant jurisdictions consisted of those in the Southwest and other tracks identified by the analysis of the DRF data.
5. Our experience – the team’s collective diversity of experience helped with the analysis and strategic plan by utilizing the knowledge of over a collective 100 years in the industry as well as the utilization of many industry contacts that the team could gain insight into other jurisdictions efforts and challenges.

In addition to the methodology described above, we used a system thinking approach for our analysis and strategies as it focuses on the way different parts of the system interact and influence one another.

This methodology considers the interrelatedness of all aspects of the racing and breeding system. For example, besides the importance of the supply of horses for a race meet there are many factors that will impact the decisions on when to run and the potential success of a race meet/circuit.

Figure 2 Interrelatedness of Decisions to Attract Horses to a Race Meet/Circuit



Source: RGE

Another challenge in dealing with the interrelatedness of the study is the diversity of stakeholders impacted by each decision and the conflicting interests. For example, the horse racing product the public wagers on can be compared to a retail product on a store shelf with competing products or a show put on at a theatre with actors. How that product is positioned in relation to the competition impacts the stakeholders' success, mediocrity, or failure.

The stakeholders have a critical role in the result of whether the product is competitive, and consumers choose it over other products. If the product the suppliers (horsemen) send to the retail shelf is not a good product relative to other products, consumers will not purchase it, and it will sit on the shelf. On the other hand, if the product is competitive and the retail store (tracks/OTB/ADWs) does not give it good exposure or marketing by placing it where consumers can't see it or don't know about it, again the product may not find the interest of consumers. It was said "great marketing can kill a bad product"¹ but also if the product is competitive but has poor placement, price, or promotion it may not be as competitive as it should. It is important that stakeholders understand that many parties are part of the equation to sustaining and improving horse racing.

Purses are what horse owners and trainers look at for the ability to maximize returns on their horse investments. Opportunities to race, the types of races offered, and whether a horse will be allowed to

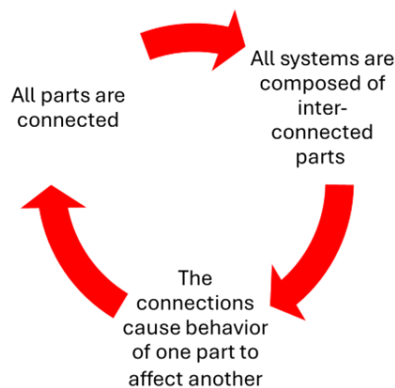
¹ Derek Dunham, "Nothing Kills a Bad Product Faster than Good Advertising," VarsityBranding.Com <https://varsitybranding.com/2015/05/14/nothing-kills-a-bad-product-faster-than-good-advertising/> (Accessed April 21, 2025.)

race are all components of the decision-making process made by owners and their trainers as it relates to whether to run in New Mexico.

The New Mexico racing industry, like the North American version, should be viewed as one large system whereby **Systems Thinking** is employed. Systems thinking is about scrutinizing, exploring, and researching what set of factors and interactions are contributing to or could contribute to a possible outcome. Examples of systems are ecosystems, automobile operations, and the human body.

Looking again at Figure 2 above and applying systems thinking, the ability to attract horses leads to fuller, more competitive fields of horses that will generate higher handle. Higher handle generates more revenue which can make incentives or prize money more attractive to appeal to more stables. Feedback loops such as this are associated with systems and systems thinking.

Figure 3 Feedback Loop & Systems Thinking



Source: RGE

About Racing, Gaming & Entertainment LLC

Racing, Gaming & Entertainment LLC (“RGE,” “we,” or “our”) has worked for a variety of clients in the public and private sector since its founding in 2015, but its principal has consulted for many national and international clients since 1997. With over 28 years of consulting in the racing and gaming sectors and a 47-year career in the industry, including almost 23 years as director of the University of Arizona’s Race Track Industry Program, RGE’s principal has a proven track record.

F. Douglas Reed and RGE’s clients include state governments, horse racing operators, racino and casino operators, Wall Street firms, law firms, and industry-related associations.

Public Sector:

- Arizona Attorney General
- Betting Levy Board, Trinidad, and Tobago
- Horse Racing Alberta
- Indiana Horse Racing Commission
- Iowa Racing and Gaming Commission
- New Mexico Racing Commission
- New Mexico State Department of Animal & Range Sciences
- Spectrum Gaming Group as a subcontractor for the following clients:

- Louisiana Economic Development
- New York State Gaming Commission
- New Hampshire Charitable Gaming Study Commission
- North Carolina Education Lottery
- Singapore Tote Board
- Wyoming Gaming Commission
- University of Arizona (course development & teaching post retirement)

Private Sector:

- AlphaSights Ltd.
- Austrian Gaming Industries GmbH, Novomatic Group of Companies
- Canadian Horse Racing Industry
- Centaur Inc.
- Churchill Downs Incorporated and Hoosier Park Race Track
- DPS Inc.
- Ellis Entertainment LLC
- Epstein Becker & Green PC (For the New York Racing Association)
- Glover, Young, Hammack, Walton & Simmons, PLLC
- Hobbs Downs – Jerry Peters, Gerald Peters Gallery
- International Securities Exchange, Longitude
- Ladbroke, Detroit Race Course
- Laguna Development Corporation
- Maryland Horse Breeders Association
- National Horsemen's Benevolent and Protective Association
- Narvaez Law Firm, P.A. (for the New Mexico Racing Commission)
- Orrick, Herring & Sutcliffe PPL
- New Mexico Horse Breeders Association
- Pictragallo, Gordon, Alfano, Bosick & Raspanti, LLP
- Prairie Meadows Board of Directors' Horse Committee
- Punt Club Pty Ltd
- Racing at Raton Inc., NM
- Serecon Consulting Group
- Spawn Point Pte. Ltd.
- Spectrum Gaming Group as a subcontractor for the following clients:
 - Commonwealth Racing LLC/Great Meadowbrook Farm
 - InvincibleGG
 - Sportech Ventures Inc.
 - Asian and Middle East clients (with confidentiality agreements)
- SunRay Park and Casino, NM
- The Innovation Group as a subcontractor for the following client:
 - American Horse Council 2017
- United States Trotting Association (USTA)
- Womble Carlyle Sandridge & Rice LLP (for Southland Gaming, St. Thomas)

RGE has assembled a team with the knowledge and experience to provide the type of analysis of the horse racing industry, pari-mutuel horse racing, and its varied stakeholders making RGE highly capable of collecting, discussing, and presenting the information required in the specifications of the State of New Mexico FY25 Analysis and Study of the New Mexico Horseracing Industry.

The Team

RGE's business model utilizes the building of teams with specific expertise to meet the specifications of the project and needs of the client. RGE has both hired subcontractors appropriate for the specific project but also collaborated with Spectrum Gaming Group when their needs require horse racing expertise. RGE is a sole proprietary limited liability company.



Frank Douglas "Doug" Reed is the principal of RGE and is the senior racing project manager and chief executive for the project.

Reed has consulted on racing industry projects since 1997. He formed his own consulting company in 2015 just prior to retiring from the University of Arizona. He has also been Spectrum Gaming Group's Senior Pari-Mutuel Associate since 2017. Reed has consulted for racing regulatory bodies, racetracks, breed organizations, racing associations, and consulted both on national and international horse racing projects.

Doug Reed was director of the University of Arizona Race Track Industry Program ("RTIP") for almost 23 years where he was responsible for all aspects of the racing program, including administration, instruction, promotion, and fund-raising. He was also director of the RTIP's annual Global Symposium on Racing & Gaming, North America's largest pari-mutuel racing conference.

Prior to his role as director of the RTIP, Reed worked at many racetracks including vice president of Santa Fe Racing, which operated two pari-mutuel tracks in New Mexico. He spent numerous years in racing official capacities, including serving as racing secretary at Arlington Park, Oaklawn Park and Rockingham Park.

Reed has been a featured speaker and presenter at numerous industry conferences, seminars, and events, including the Asian Racing Conference, the Association of Racing Commissioners International Conference, the Global Symposium on Racing & Gaming, Harness Horsemen International Conference, the Racing & Gaming Conference, the National Council for Legislators from Gaming States, the Korean Racing Authority (KRA) International Racing Symposium, the Gaming, Racing & Wagering Australia conference, the China Wuhan International Horse Industry Summit Forum, and the International Conference of Gambling & Risk Taking.

Reed earned an MBA from the Eller College of Management at the University of Arizona, Tucson. He also holds a BS in Mathematics from Albright College in Pennsylvania.

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Paul Ryneveld is a subcontractor and senior racing consultant and racing operations expert on the team.

Ryneveld is the General Manager of the World Professional Chuckwagon Association and former Managing Director – Racing and General Manager of Century Downs Racetrack and Casino in Calgary, Alberta Canada. He holds a Master of Business Administration from the University of Washington as well as a Bachelor of Business Administration from the same. In addition, Ryneveld completed a Bachelor of Animal Science from the University of Arizona while attending the Race Track Industry Program.

For the past ten years, Ryneveld worked on the redevelopment of horse racing in Alberta through the construction of two new racetracks in the major markets of Calgary and Edmonton. In addition, while serving as a Director on the Board of Horse Racing Alberta, Ryneveld was involved with developing and modernizing rules, race date allocations, strategic placement of race dates, post time strategy and maximization, incentive programs for racing, breeding and the rural “B” tracks.

Ryneveld has provided operational and construction consulting advice to prospective and actual racing entities in Alberta and Saskatchewan as well as racing office insight for Sire and Sons, a company focused on streamlining the Thoroughbred entry process. Recently, he worked on the Horse Racing Study for the Iowa Racing and Gaming Commission as well as a co-racing expert for Spectrum Gaming on studies for the Wyoming Gaming Commission and Virginia Racing Commission.

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Charles Vickery is a subcontractor and racing statistician and analyst for the team.

Vickery is an independent researcher specializing in statistical, legislative, and geodemographic analysis of the pari-mutuel and gaming industries for a broad range of government and private interests. Recent assignments include a national equine economic impact study and projects regarding Idaho, Iowa, Louisiana, Massachusetts, Michigan, New Hampshire, Virginia and Wyoming.

Vickery develops complex statistical models and programming used to evaluate and monitor extensive amounts of daily pari-mutuel wagering data, including Historical Horse Racing data, for industry-wide integrity initiatives used in multiple jurisdictions. He helped to develop interactive tools used throughout the industry to gain detailed insight into wagering activity.

He has served as a federal expert witness on gaming and pari-mutuel matters. He has addressed and testified before New York’s legislature on numerous occasions regarding gaming and pari-mutuel matters, most recently regarding the economic impact of the three unused downstate casino licenses. Vickery has been a featured speaker at industry conferences and events including the American

Association of Equine Practitioners, American Horse Council, National Council of Legislators from Gaming States, Racing Commissioners International, Saratoga Racing and Gaming Law Symposium, Sports Caucus, and Thoroughbred Racing Associations.

Vickery served as the research director of EQB Inc., a major Thoroughbred bloodstock and scientific company, where he conducted primary research, produced patented methodologies, and published findings in peer-reviewed scientific journals regarding equine gait, cardiovascular characteristics and performance. He received his bachelor's degree in economics and political science from Clarkson University.

Disclaimer

RGE has made every reasonable effort to ensure that the data and information contained in the report reflects the most accurate and timely information possible. This report is based on estimates, assumptions, and other information developed by RGE from its independent research, general knowledge of the horse racing industry, and consultations with the NMRC and the New Mexico horse racing industry stakeholders. RGE shall not be responsible for any inaccuracies in reporting by the State or its agents and representatives, or any other data source used in preparing or presenting this report. The data presented in this report was collected through the cover date since awarded this study. RGE has not undertaken any effort to update this information since this time.

Some significant factors that are unquantifiable and unpredictable – including, but not limited to, economic, governmental, competitors' actions, managerial and regulatory changes; and acts of nature – are qualitative by nature and cannot be readily used in any quantitative projections. No warranty or representation is made by RGE that any of the projected values or results contained in this report will be achieved. We shall not be responsible for any deviations in the project's actual performance from any predictions, estimates, or conclusions contained in this report as there are many outside factors in the industry and competitive environment that impact future results.

This report is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

Common Terms, Definitions and Abbreviations Used

Advance deposit wagering ("ADW"): A form of pari-mutuel wagering in which a person establishes an account with an account wagering licensee and subsequently communicates via telephone or other electronic media to the account wagering licensee wagering instructions concerning funds in such person's account and wagers to be placed on the owner's behalf.

Betting Interests: The number of unique betting interests in a race (not always the same as field size if entries are coupled for betting purposes.)

Breeder: The owner of the Dam or Mare at the time of foaling (Thoroughbred and Quarter Horse).

Computer-assisted-wagering ("CAW"): Sometimes also referred to as computer robotic wagering ("CRW"). CAWs are groups or individuals that develop sophisticated computer models with vast amounts of data. They utilize proprietary algorithms to efficiently place bets, often at the last possible second and usually receive significant rebates based on their volume of wagers. The algorithms often seek to identify inefficiencies in the pari-mutuel market to capitalize on when wagering.

Computer robotic wagering (“CRW”): Another term for Computer-assisted-wagering; see above.

DRF Horse (Starter) Breeds. DRF categorized each starter as one of five breeds: Arabians (AR), Appaloosas (AP), Paints (PT), Quarter Horses (QH) and Thoroughbreds (TB). DRF statistics for this report were either by horse (starter) breed or by race breed.

DRF Race Breeds. DRF categorized each race as one of four breeds: Arabian (AR), Mixed (MX), Quarter Horse (QH) and Thoroughbred (TB). Race breed categories were not all represented in every state or every year within each state. Multiple horse breeds started in mixed breed races and Quarter Horse races. DRF statistics for this report were either by race breed or by horse (starter) breed.

Earnings: earnings for the race reported in the Daily Racing Form charts. Earnings for each horse in a race are listed and include any added money above the base purse for the race but will provide a consistent benchmark in analysis of tracks level of racing and purses.

Field size: The number of horses in a race. (Often the same as betting interests if there are no coupled entries or wagering fields)

Handle: The total amount of money wagered.

Open Race (Unrestricted Race): race conditions often less restrictive and often limited to age, sex, etc. In this study we often use the term “open races” to refer to all races other than the restricted races for state-breds only.

Pari-Mutuel: A form of wagering – typically used in horse racing – in which all bets on an event are pooled, and payoff odds are calculated by sharing the pool among all winning bets. The operator/provider deducts a “takeout” from all wagers.

Racino: A term combining “racetrack” and “casino” used to identify a gaming facility that has both racing and gaming offerings.

Restricted Race: conditions of a race limit (restrict) horses eligible by certain criteria such as state-bred, or number of wins, time of wins etc.

Single Pool Exotics (Exotic Pool, Single): Exotic wagers on a single race. Such as exacta, quinella, trifecta.

Starts: the total number of horse starts in races or a race meet.

State: When capitalized, it refers to the State government of New Mexico.

Systems thinking: a holistic way to investigate/analyze factors and interactions that could contribute to a possible outcome. It focuses on the way different parts of a system interact and influence one another.

Unique Starters: total number of unique horses participating in a race meet. A horse that starts in multiple races at a race meet is counted as one unique starter.

Unrestricted race: see open race, the terms in this study are used interchangeably to indicate the races that are not restricted to state-breds only.

WPS handle: combined total handle for the win, place and show pools.

Abbreviations used throughout the report:

DRF – Daily Racing Form

QH – Quarter Horse

TB – Thoroughbred

Figure 4 Daily Racing Form Track and Race Condition Abbreviations

Daily Racing Form Track Abbreviations		Daily Racing Form Race Condition Abbreviations	
Track	Abbreviation	Race Type	Description
(Downs at) Albuquerque	ALB	ALW	Allowance
Arapahoe Park	ARP	AOC	Allowance Optional Claiming
Canterbury Park	CBY	CHM	Championship
Delta Downs	DED	CLH	Claiming Handicap
Energy Downs	EDR	CLM	Claiming
Evangeline Downs	EVD	CLS	Claiming Stakes
Fairgrounds	FG	CLT	Claiming Stakes Trial
Fair Meadows Tulsa	FMT	CON	Consolation
Horseshoe Indianapolis	IND	CST	Claiming Stakes
Los Alamitos Race Course	LA	DBY	Derby
Lone Star Park	LS	DCN	Derby Consolation
Louisiana Downs	LAD	DTR	Derby Trial
Prairie Meadows	PRM	FCN	Futurity Consolation
Remington Park	RP	FNL	Final
Retama Park	RET	FTR	Futurity Trial
Ruidoso Downs	RUI	FUT	Futurity
Sam Houston	HOU	HCP	Handicap
Sunland Park	SUN	HDS	Handicap Stakes
SunRay Park	SRP	INS	Invitational Stakes
Sweetwater Downs	SWF	INV	Invitational
Turf Paradise	TUP	MAT	Match Race
Will Rogers Downs	WRD	MCL	Maiden Claiming
Wyoming Downs	WYO	MDN	Maiden
Zia Park	ZIA	MDT	Maiden Trial
		MOC	Maiden Optional Claiming
		MST	Maiden Stakes
		MSW	Maiden Special Weight
		MTR	Maturity Trial
		OCL	Optional Claiming
		OCS	Optional Claiming Stakes
		SCN	Stakes Consolation
		SHP	Starter Handicap
		SOC	Starter/Allowance Optional Claiming
		SPF	Speed Index Final
		SPI	Speed Index Race
		SPT	Speed Index Trial
		SST	Starter Stakes
		STA	Starter Allowance
		STK	Stakes
		STR	Stakes Trial
		TRL	Trial
		WCL	Waiver Claiming
		WMC	Waiver Maiden Claiming

Source: Daily Racing Form

History

Horse Racing has played an integral part of the history of the State of New Mexico and has been sanctioned for nearly 90 years. The Horse Racing Act (HRA) was enacted in 1938, allowing horse racing and pari-mutuel wagering in New Mexico, and created the New Mexico State Racing Commission as the governing body. The Racing Commission oversees compliance with the HRA.²

New Mexico had a burgeoning industry throughout the early decades of racing in the Land of Enchantment. The negative impacts on horse racing began in the 1970s, but the true effects were masked by unique events. The decade had three Thoroughbred Triple Crown winners in a short span of time keeping horse racing in the spotlight. Racetracks were still considered a good investment and there were several new tracks built including the Downs at Santa Fe.

Nationally, several trends beginning in the 1980s changed racing and they would impact racing for a long time. Racetracks began to lobby state legislatures for tax relief as negative economic trends became clearer. Tracks experimented with ways to expand market penetration and distribution with intertrack wagering, interstate wagering, and off-track betting (OTBs). In 1988 the passage of the Indian Gaming Regulatory Act (IGRA) would influence the competitive market over the next several decades.

During the 1990s full card simulcasting, greater product distribution, and commingling of pools proliferated, account wagering began to expand and both casinos and racinos were legalized in many jurisdictions. New Mexico began allowing full card simulcasting in 1995. Note in 2025, New Mexico has neither Off-track betting (OTB) nor legal Advance Deposit Wagering (ADW).

These changes and more will be explored more in the Situational Analysis in this report since they have a large impact on how racing evolved and what challenges New Mexico faces when looking for strategies to improve.

The New Mexico Racing Commission is authorized under the authority of 60-1A-1 through 60-1A-30, NMSA 1978. The statute mandates the agency to regulate and enforce the statutes, rules, and regulations of the horseracing industry. The statute authorizes a five-member commission appointed by the Governor and approved by the Senate.

New Mexico is home to five racetracks that currently conduct live horse racing. Besides the now defunct smaller tracks of the early part of the 20th century in places like Tucumcari and Silver City, La Mesa Park in Raton and the Downs at Santa Fe previously conducted commercial horse racing until the 1990s.

In 1959, Ruidoso Downs, formerly Hollywood Park from inception in 1947³, piqued the interest of the Quarter Horse world when it offered the richest Quarter Horse Race in history, the All-American Futurity. The purse was \$202,426⁴ and was won by Galobar under jockey Clifford Lambert who would later become a top trainer in the state. This race has grown in stature over the years and remains the richest race for Quarter Horses annually with a purse topping \$3 Million.

² <https://www.nmrc.state.nm.us/wp-content/uploads/2022/06/Annual-Report-FY2020.pdf>. (Accessed April 20, 2025.)

³ <https://www.elpasotimes.com/story/news/history/blogs/tales-from-the-morgue/2011/05/25/1953-ruidoso-to-open-n-m-racing-season/31479501/>. (Accessed April 20, 2025.)

⁴ <https://www.aqha.com/-/history-of-the-all-american-futurity-g1->. (Accessed April 20, 2025.)

In 1996, the Downs at Santa Fe was acquired by the Pojoaque Pueblo and created and ran the Indian Nations Futurity for two-year-old Thoroughbreds to be run in 1997. In that year, Real Quiet finished third in the \$517,000 race but later went on to win the Kentucky Derby and Preakness Stakes in 1998, getting nosed out by Victory Gallop in the Belmont Stakes to just miss the Triple Crown.

In 2003, Sunland Park and WinStar Farms joined forces to create the \$500,000 guaranteed WinStar Derby. Excessivepleasure and Pat Day won the inaugural running and the race (later named the Sunland Derby and recently the Sunland Park Derby) was installed as a Grade 3 in 2010 and then a Kentucky Derby points race when Churchill Downs switched to that format for horses to make the field of the Kentucky Derby. In 2025, the race was downgraded from Grade 3 to Listed but still offers Kentucky Derby points.

Over the past nine decades, there have been many horses and horse people from New Mexico who have made their mark on the national and world stage. A few of note are:

Special Effort: Sired by the Thoroughbred, Raise Your Glass and out of the Quarter Horse Mare, Go Effortlessly, Special Effort became the first horse to sweep the Ruidoso Triple Crown in 1981. Winning the Kansas (now Ruidoso), Rainbow and All-American Futurities set Special Effort as one of the greats of the game, named World Champion in 1981 and later inducted into the AQHA Hall of Fame. Amassing a bankroll of over \$1.2 Million, his lone defeat in 14 starts was his last race in the All-American Derby at Ruidoso Downs in 1982. Special Effort sired many stakes winners and champions before passing in 2006.

Mine That Bird: After he ran fourth in the Sunland Derby in 2009, Mine That Bird pulled a major upset in his next start, winning the Kentucky Derby at odds of 50.60-1. The story was so intriguing that in 2014 the chronicles of the horse and New Mexico based trainer Bennie “Chip” Wooley were made into a motion picture called, “50-1”.

Jerry Bailey: Born in Dallas Texas but raised in El Paso, Jerry Bailey took his first racetrack job at Sunland Park as a groom for trainer J.J. Pletcher and an occasional babysitter for Pletcher's son, Todd, then in the second grade, who later would follow in his father's footsteps and eventually become America's most successful trainer. Regarded as one of the world's all-time greatest jockeys, Bailey's mounts won 5,894 races and more than \$296 million during a 31-year riding career, second only to jockey Pat Day at the time of Bailey's retirement⁵. Bailey won the Kentucky Derby, Preakness and Belmont twice each and won the Breeders' Cup Classic five times.

Mike Smith: Smith was born into a New Mexico racing family in Roswell, NM, started riding on the bush tracks at 11 and took out his apprentice jockey license at 16, winning his first race at the Downs at Santa Fe. Since then, Smith has been the Eclipse Award winning jockey twice in 1993 and 1994, won a record 27 Breeders' Cup races⁶ and was the regular rider on Horse of the Year, Zenyatta and the 13th Triple Crown winner, Justify. Smith continues to ride at a high level today at the age of 59.

There are many more people and horses from New Mexico that have made impacts nationally and internationally which exemplifies the importance of the New Mexico Industry past and present. Today, horse racing in New Mexico is a popular pastime with crowds of 15-20,000 attending some of the

⁵ "Jerry D. Bailey," *National Museum of Racing and Hall of Fame*. (Accessed April 20, 2025.)

⁶ "Mike E. Smith," <https://www.racingmuseum.org/hall-of-fame/jockey/mike-e-smith>. (Accessed April 20, 2025.)

marquee race days throughout the year. Annual wagering tops \$100 Million and over a half-million New Mexicans and tourists attend the races.

National Benchmarking

New Mexico trends are compared to the national trends for both the racing and breeding industry. This gives some indication of how the racing and breeding industry in New Mexico is doing in comparison to national tendencies.

The Thoroughbred industry in the U.S. has seen significant increases in purses over the past three decades due to money from other gaming, such as racinos, that have made very large contributions to purses. Purses are 20 percent higher in 2024 than they were in 2004. However, this has not correlated to increases in races, foal crops, or wagering on the races. The year 2003 was the peak of handle that can primarily be attributed to increased distribution from the early 1990s due to simulcasting and merged pools both domestically and internationally.

Figure 5 Thoroughbred National Data

Thoroughbred Data							
Year		2004	2008		2022	2023	2024
Handle**		15,099	13,662		12,104	11,656	11,265
Foal Crop*		34,800	32,332		17,146	17,200	16,675
Races		53,595	50,120		33,452	31,746	30,852
Field Size		8.28	8.17		7.3	7.4	7.39
Starts/Runner		6.57	6.2		6.01	5.87	5.86
Gross Purses Available**		1,092	1,165		1,310	1,306	1,312

Sources: 2025 Jockey Club Fact Book

*Foal Crop for 2023-2024 are estimates,

**Handle and Gross Purses in Millions of Dollars

National Thoroughbred handle in 20 years is down over 25 percent according to the Jockey Club Fact Book. The foal crop is less than half of what it was 20 years ago. The number of Thoroughbred races is down over 42 percent compared to 2004. Since the purses have increased about 20 percent from what they were 20 years ago, and the number of races has decreased significantly it has led to the average purse per race more than doubling in that time.

Field size in races is also down from 8.2, 20 years ago, to 7.39 in 2024. Field size is down and is a very important determinant of wagering and has a very strong correlation to the amount wagered on a race. The horses are even making less starts per year than they did 20 years ago down to 5.86 starts per year from 6.57 in 2004 and close to 8 starts per year in 1990.

Figure 6 New Mexico Thoroughbred Data for Comparison to National Trends

New Mexico Thoroughbred Data					
Year	2004	2008	2022	2023	2024
Handle*	60.121	n/a	58.125	57.94	40.619
NM Handle as Pct. Of National Total	0.40%	n/a	0.48%	0.50%	0.36%
Foal Crop**	796	1,078	286	269	n/a
NM Foal Crop as a Pct.. Of National Total	2.29%	3.33%	1.67%	1.56%	n/a
Races	1,368	1,678	896	807	728
NM Races as Pct. Of National Total	2.55%	3.35%	2.68%	2.54%	2.36%
Field Size	8.7	8.2	7.7	8.3	7.5
Starts/Runner	5.5	5.2	5.6	5.5	5.2
Purses*	22.93	31.87	25.92	27.61	24
NM Purses as Pct. Of National Total	2.10%	2.74%	1.98%	2.11%	1.83%

Sources: 2025 New Mexico Jockey Club Fact Book & NMRC 2004 Annual Report & Daily Racing Form Charts

*Handle and Purses in Millions of Dollars

** 2025 New Mexico Jockey Club Fact Book used for TB foal crop data.

Note: NM Thoroughbred foals peaked in 2007 & 2008 at 1,078 foals.

Thoroughbred racing in New Mexico has seen similar declines in some areas. For example, the New Mexico bred foal crop is down 66% from 2004 to 2023 trending ever worse than the national decline. The New Mexico bred Thoroughbred foal crop is down 75 percent from its peak in 2007 and 2008. The number of Thoroughbred races in New Mexico are down almost 47 percent compared to the 42 percent decline nationally over the same period.

Field size in New Mexico for Thoroughbred races has held up just slightly better than the national average. However, the starts Thoroughbred horses in New Mexico make per year has consistently been less than the national average according to the Jockey Club Fact Book.

While purses for Thoroughbred races in New Mexico are up slightly it is only about 5 percent better than it was in 2004 compared to the national purses for Thoroughbred races up 20 percent. This we believe is impacted by the fact that the number of Thoroughbred races in New Mexico has declined much more than the number of Quarter Horse races in New Mexico. The number of Quarter Horse races in New Mexico has only declined 12.4 percent from 2004. However, like the average purse per race nationally, the average purse for a Thoroughbred race in New Mexico is also about twice what it was 20 years ago.

Figure 7 AQHA National Racing Statistics

AQHA Racing Statistics							
Year	Races	Starters	Purses	Handle	Handle Per Race	Avg. Purse/Race	Avg. Earnings Per Starter
2004	8,799	15,368	\$ 93,500,833	\$ 324,744,580	\$ 36,907	\$ 10,626	\$ 6,084
2005	8,799	15,833	\$ 98,630,441	\$ 343,731,326	\$ 39,065	\$ 11,209	\$ 6,229
2006	9,053	16,043	\$ 109,375,703	\$ 346,932,823	\$ 38,322	\$ 12,082	\$ 6,818
2007	9,274	16,607	\$ 123,042,699	\$ 367,626,783	\$ 39,641	\$ 13,267	\$ 7,409
2008	9,152	16,911	\$ 125,545,585	\$ 332,944,722	\$ 36,379	\$ 13,718	\$ 7,424
2009	9,113	17,180	\$ 127,628,434	\$ 328,443,262	\$ 36,041	\$ 14,005	\$ 7,429
2010	8,788	17,069	\$ 127,026,173	\$ 294,104,133	\$ 33,467	\$ 14,455	\$ 7,442
2011	8,450	16,724	\$ 129,282,575	\$ 301,354,956	\$ 35,663	\$ 15,300	\$ 7,730
2012	8,657	16,355	\$ 131,545,809	\$ 295,663,926	\$ 34,153	\$ 15,195	\$ 8,043
2013	8,328	15,761	\$ 125,877,223	\$ 289,748,484	\$ 34,792	\$ 15,115	\$ 7,987
2014	7,960	15,636	\$ 126,709,904	\$ 291,986,135	\$ 36,682	\$ 15,918	\$ 8,104
2015	7,905	15,333	\$ 129,930,175	\$ 309,356,986	\$ 39,134	\$ 16,436	\$ 8,474
2016	7,730	14,786	\$ 127,140,633	\$ 297,533,160	\$ 38,491	\$ 16,448	\$ 8,599
2017	7,332	13,764	\$ 116,255,967	\$ 283,938,345	\$ 38,726	\$ 15,856	\$ 8,446
2018	6,988	12,593	\$ 120,145,324	\$ 296,412,024	\$ 42,417	\$ 17,193	\$ 9,541
2019	6,455	12,985	\$ 116,599,755	\$ 274,157,889	\$ 42,472	\$ 18,063	\$ 8,980
2020	5,330	11,337	\$ 105,251,455	\$ 339,687,317	\$ 63,731	\$ 19,747	\$ 9,284
2021	6,167	11,444	\$ 125,940,335	\$ 344,083,350	\$ 55,794	\$ 20,422	\$ 11,005
2022	6,626	11,826	\$ 143,678,679	\$ 342,496,767	\$ 51,690	\$ 21,684	\$ 12,149
2023	6,405	11,540	\$ 147,598,602	\$ 323,623,325	\$ 50,527	\$ 23,044	\$ 12,790

Sources: AQHA 2022 & 2023 Annual Reports and 2024 AQHA Executive Summary

The Quarter Horse national handle has remained relatively stable over the past 20-years. It is important to note that the handle for Quarter Horse racing is only 3 percent of what the handle on Thoroughbred racing is. This is due to several factors, one Quarter Horse racing is much more a regional sport and not familiar in many parts of the U.S. or other countries, second there is less interest in Quarter Horse racing most likely due to the lack of distribution, history, and familiarity with that type of racing.

Like the Thoroughbred racing industry, the Quarter Horse racing industry has also seen very significant increases in purses over the past three decades due to money from other gaming, such as racinos. Also like the Thoroughbred numbers nationwide, the Quarter Horse purses are up 62 percent, the number of races down 27 percent and leading to almost 123 percent increase in the average purse per race since 2004.

While pari-mutuel handle on Quarter Horse racing has remained flat as mentioned, the decline in the number of races does mean the average handle per race is up 38.5 percent. The number of Quarter Horse starters is down 29 percent, but we do not have that data for the New Mexico Quarter horse races to compare.

Figure 8 New Mexico Quarter Horse Racing Statistics for Comparison to National Trends

New Mexico Quarter Horse Racing Statistics							
Year	Races	Unique Starters	Purses/Earnings	Handle	Handle Per Race	Avg. Purse/Race	Avg. Earnings Per Starter
2004	1,270	n/a	\$ 21,737,816	\$ 35,016,157	\$ 27,572	\$ 17,116	n/a
2022	1,145	2,581	\$ 38,754,713	\$ 58,200,795	\$ 50,830	\$ 33,847	\$ 15,015
2023	1,059	2,710	\$ 43,645,246	\$ 56,225,830	\$ 53,093	\$ 41,214	\$ 16,105
2024	1,112	2,779	\$ 44,678,134	\$ 55,697,311	\$ 50,088	\$ 40,178	\$ 16,077

Sources: DRF Charts and NMRC Annual Reports

When comparing national trends, Quarter Horse races in New Mexico has not declined at the same rate as the national trends. When comparing the Thoroughbred racing industry in New Mexico and Quarter Horse racing in New Mexico, the Quarter Horse industry has held up better and not declined to the same extent as the national Quarter Horse industry has.

The number of Quarter Horse races in New Mexico has only declined 12.4 percent the past twenty years compared to a decline nationally of 27 percent. Purses are up over 100 percent in New Mexico for Quarter Horse races compared to the 62 percent increase nationwide. Handle per race for Quarter Horse races in New Mexico is up almost 82 percent compared to 38.5 percent nationwide.

Breeding Benchmarking

New Mexico is not unique in that it has multiple breeds of horses racing and breeding in the state. What may be somewhat different than most states with multiple breeds, is that the Thoroughbreds and Quarter Horses primarily race at the same time at the facilities, sharing the same racing surface (except at Ruidoso Downs). There are other jurisdictions that do this, like Arizona, Indiana, Iowa and Wyoming but the major competing states of Louisiana, Oklahoma and Texas split the breeds into separate race meetings.

What is unique to New Mexico is that both breeds are represented by one breed organization, the New Mexico Horse Breeders Association (NMHBA). The NMHBA is the representative group for horse breeders in New Mexico.

The NMHBA promotes the breeding, racing, and ethical treatment of American Quarter Horses and Thoroughbreds in the state. Established in 1961, this non-profit corporation has “served as the backbone to an agricultural industry that is a long-standing tradition in New Mexico.”⁷ The NMHBA also serves as the official registrar for New Mexico-bred horses. In addition, it also administers a legislative-mandated incentive fund, which **encourages the expansion of the industry and improves the quality of performing athletes**. “More than ever, horses bred in New Mexico are competitive on a national level and are internationally recognized for their accomplishments.”⁸

⁷ “Mission Statement & By-Laws,” New Mexico Horse Breeders Association, <https://nmhorsebreeders.com/by-laws/>; (Accessed on May 6, 2025.)

⁸ Ibid

New Mexico – National Comparisons

Thoroughbred

For both breeds, we will look at how they compare nationally as well as regionally. The Thoroughbreds have followed a pattern of decline similar to the North American foal crop. The New Mexico Thoroughbred foal crop peaked in 2007 and 2008 and was 3.1% and 3.3% respectively of the total U.S. foal crop those years. Recently, the New Mexico Thoroughbred foal crop has been below 2.0 percent of the U.S. foal crop, falling to 1.9% in 2021 and now 1.6% in 2023. These foal crops represent a major portion of the current supply of Thoroughbreds in New Mexico in 2025.

Figure 9 U.S. and New Mexico Annual Thoroughbred Foal Crop

Annual Thoroughbred Foal Crop - NM & U.S.			
Year	NM	U.S.	NM Pct.
2003	752	33,976	2.2%
2004	796	34,800	2.3%
2005	899	35,050	2.6%
2006	1,039	34,905	3.0%
2007	1,078	34,358	3.1%
2008	1,078	32,332	3.3%
2009	896	29,612	3.0%
2010	809	25,955	3.1%
2011	753	22,655	3.3%
2012	663	21,470	3.1%
2013	612	21,431	2.9%
2014	583	21,427	2.7%
2015	556	21,528	2.6%
2016	529	21,119	2.5%
2017	450	20,672	2.2%
2018	435	19,770	2.2%
2019	381	19,138	2.0%
2020	368	18,513	2.0%
2021	335	17,851	1.9%
2022	286	17,146	1.7%
2023*	269	17,200	1.6%

* 2023 North America Foal crop is an estimate

Source 2025 Jockey Club Fact Book & 2025 Jockey Club State Fact Book NM

One area of concern however is that the decline in foals is at an accelerated pace versus total U.S. decline. In 2019, NM foals represented 2.0% of the U.S. totals and in 2023 it is only 1.6%. That is a 20% greater decline in five years than the North American numbers for a five-year decline of 29.4% while the U.S. totals declined 10.12%.

Other national benchmarking measures are the number of Thoroughbred mares reported bred as well as the number of Thoroughbred stallions standing in New Mexico and that number as a percentage of the U.S. Thoroughbred mares bred/stallion population. This is particularly important in New Mexico as there

are criteria where a registered and accredited New Mexico mare must be bred to a registered and accredited New Mexico stallion. Fewer mares bred result in the production of less foals. Additionally, fewer stallions can create fewer breeding opportunities by thinning the bloodlines, requiring a mare to be sold or to breed out-of-state.

Figure 10 New Mexico Annual Thoroughbred Mares and Stallions and Percentage of U.S. Total

Annual Thoroughbred Mares & Stallions				
Year	NM Mares Bred	NM Pct. of U.S.	NM Stallions	NM Pct. Of U.S.
2006	2,050	3.2%	196	4.8%
2007	1,989	3.3%	192	5.0%
2008	1,687	3.0%	183	5.0%
2009	1502	3.0%	184	5.5%
2010	1448	3.3%	171	5.5%
2011	1292	3.3%	156	5.6%
2012	1164	3.1%	145	5.7%
2013	1137	3.1%	141	5.9%
2014	1019	2.7%	121	5.3%
2015	986	2.6%	109	5.3%
2016	890	2.4%	107	5.4%
2017	814	2.3%	95	5.0%
2018	724	2.2%	104	5.9%
2019	677	2.1%	91	5.5%
2020	655	2.2%	84	5.4%
2021	478	1.6%	67	4.8%
2022	469	1.6%	62	4.6%
2023	488	1.7%	60	4.9%
2024	426	1.6%	47	4.6%

Source: Jockey Club 2025 NM Fact Book

Once again, there is an expedited decline, not only in the number of Thoroughbred mares bred in New Mexico but as a percentage of mares bred in the United States. From the peak of 2,050 Thoroughbred mares bred in 2006, representing 3.2% of the total mares nationally, the number decreased by 79.2% from 2006 to 2024 to just 426 mares and 1.6% of the total mares.

Focusing on stallions, New Mexico Thoroughbred stallions fell 76% over the same period but as a percentage of the national totals, has not varied as significantly as mares and foals. New Mexico Thoroughbred stallions have represented as much as 5.9% of the national total as recently as 2018 but are sitting at 4.6% currently. This trend is consistent with the drop in stallion numbers across the country.

Quarter Horse

The Quarter Horse is a versatile horse and thus is utilized for many different events or roles other than racing. As such, gathering data specifically for racing Quarter Horses is more difficult to compare the breed to national figures. With that, we know that the Quarter Horse registrations nationally have followed a trend of decline like the Thoroughbreds but recently have seen more registrations, marking an upward trend.

Figure 11 U.S. and New Mexico Yearly Quarter Horse Registrations

NM & U.S. Quarter Horse Registrations		
Year	NM QH Yearly Registrations	U. S. QH Registrations
2007	803	117,830
2008	808	115,979
2009	834	93,835
2010	731	83,736
2011	726	75,225
2012	742	68,902
2013	531	60,867
2014	542	68,240
2015	524	61,282
2016	583	63,497
2017	497	60,893
2018	512	57,753
2019	402	57,245
2020	525	67,653
2021	477	61,623
2022	545	74,728
2023	452	70,526
2024	414	74,820

Source: AQHA Annual Reports, <https://www.aqha.com/aqha-annual-reports>

For the years in this table, the QH annual registrations by the NMHBA have declined 48.4%. In addition, for the past five years, the percentage of registrations to the national registrations has declined from 7.8% of total registrations to 5.5%. Annual New Mexico registrations have fallen 21.14% while total U.S. registration **have risen** 10.59% in the past five years.

New Mexico – Regional Comparisons

Comparing foal crops and breeding stock regionally and with states that have been doing well versus the North American numbers such as Indiana and Louisiana, New Mexico Thoroughbred Breeding has experienced similar results to some of the regional jurisdiction numbers and are less competitive with others. Note we show the average Thoroughbred foals by year amongst five states, Indiana, Louisiana, Oklahoma, and Texas and then remove Louisiana as their large numbers skew the average. Louisiana is one of the top five states for breeding and will be discussed further in the Breeding Strategy later in this report. While foal crops have declined in Louisiana, it more than doubles New Mexico and the other competitors aside from Indiana.

Figure 12 Thoroughbred Foal Crops State Comparisons

THOROUGHBRED FOAL CROPS					
	2019	2020	2021	2022	2023
New Mexico	381	368	335	286	269
Indiana	414	413	448	399	409
Louisiana	951	842	812	783	735
Oklahoma	441	451	364	389	303
Texas	317	382	363	367	278
Average	501	491	464	445	399
AVG. No LA	388	404	378	360	315

Source 2025 Jockey Club Fact Books for NM, IN, LA, OK, TX

New Mexico compares similarly to Oklahoma and Texas which are the two closest competitors in the breeding and racing arena. In 2019, New Mexico was very close to the Indiana foal crop numbers and the average without Louisiana calculated in. But while Indiana has stayed relatively constant, New Mexico has declined.

Next, we will look at the Thoroughbred mares bred as that is an indicator of potential foals on the ground.

Figure 13 Thoroughbred Mares Bred State Comparisons

THOROUGHBRED MARES BRED					
	2019	2020	2021	2022	2023
New Mexico	674	655	478	469	488
Indiana	443	462	488	536	425
Louisiana	1101	1122	955	957	911
Oklahoma	656	599	552	506	424
Texas	433	443	445	392	412
Average	661	656	584	572	532

Source 2025 Jockey Club Fact Books for NM, IN, LA, OK, TX

New Mexico has experienced a similar reduction in mares bred as Oklahoma over the five-year span. Subsequently, Indiana and Texas have remained flat although Indiana saw a solid increase in 2021 to 2022. Louisiana declined by a similar amount as New Mexico (and Oklahoma) but by percentage, the decline is of less significance.

One area of concern regarding mares bred and number of foals is the percentage of foals recorded from mares bred.

Figure 14 Thoroughbred Foals as a Percentage of Mares Bred State Comparisons

THOROUGHBRED FOALS AS A PERCENTAGE OF MARES BRED					
	2019	2020	2021	2022	2023
New Mexico	57%	56%	70%	61%	55%
Indiana	93%	89%	92%	74%	96%
Louisiana	86%	75%	85%	82%	81%
Oklahoma	67%	75%	66%	77%	71%
Texas	73%	86%	82%	94%	67%
Average	76%	75%	80%	78%	75%

Source 2025 Jockey Club Fact Books for NM, IN, LA, OK, TX and RGE

Besides 2021, the percentage of Thoroughbred foals registered with the Jockey Club per mares bred has been 60% or below in New Mexico. Compare that to the average and New Mexico has been the poorest performer of the five states. Oklahoma is also below average but is generally 10-19 percentage points better than New Mexico in this comparison. Is it coincidence that Indiana and Louisiana, two states that have maintained or only slightly declined in the past five years, have the highest percentage of foals from mares bred? It is also interesting that Texas saw higher than the average foals from mares bred with 94% in 2022 but the 2023 number is below the average.

Finally, looking at how New Mexico compares against the other four regional states regarding Thoroughbred stallion population, we see that it has been about average but also has seen their population decline at the average rate. Since 2019, the number of Thoroughbred stallions standing in the United States has declined but these five states, including New Mexico have maintained their relative standing against the total stallion population.

Figure 15 Thoroughbred Stallions State Comparisons

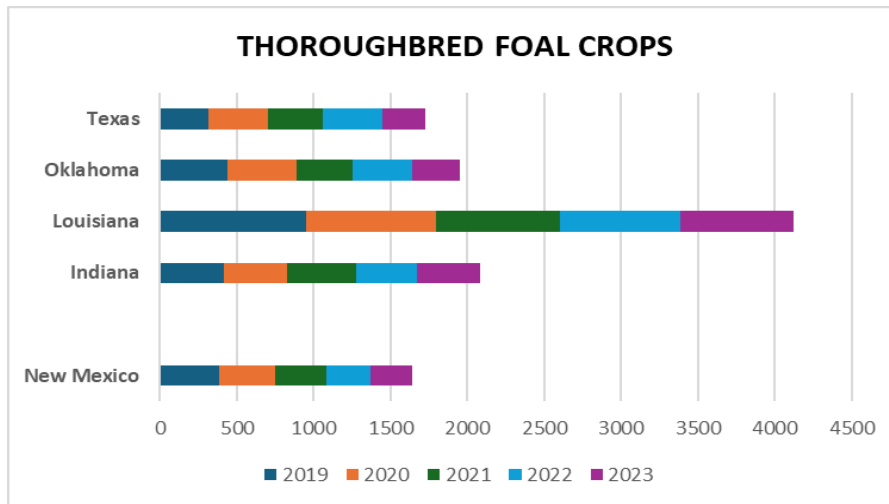
THOROUGHBRED STALLIONS					
	2020	2021	2022	2023	2024
New Mexico	84	67	62	59	47
Indiana	68	60	61	63	50
Louisiana	92	78	69	70	59
Oklahoma	73	72	66	55	40
Texas	99	80	72	64	31
Average	83	71	66	62	45

Source 2025 Jockey Club Fact Books for NM, IN, LA, OK, TX

As mentioned previously, the number of stallions standing in New Mexico is important to provide ample breeding opportunities for the mares registered in New Mexico.

To wrap up Thoroughbred breeding regional benchmarking is the graphic below showing how, in terms of foal crops, New Mexico has lagged behind the other jurisdictions in the region as well as the state of Indiana where Thoroughbred breeding has maintained solid numbers.

Figure 16 Graphic Comparison of Statewide Thoroughbred Foal Crops



Source 2025 Jockey Club Fact Books for NM, IN, LA, OK, TX

Louisiana produced more than two-and-a-half times the number of Thoroughbred foals as New Mexico did from 2019 to 2023. Indiana, Oklahoma and Texas all produced 10-30% more than New Mexico over the same time. New Mexico went from a state where the production of the supply of horses for races within New Mexico, came from within New Mexico to a state where horses bred outside the state are necessary to help make Thoroughbred racing happen. As we will see in the Regional Benchmarking section, the reliance on state-bred Thoroughbred races has increased in order to provide the requisite number of races for a card of Thoroughbred racing while the number of horses to do so has dwindled.

Quarter Horse

When looking at the Quarter Horse breeding in the region, we will once again examine the states of Indiana, Louisiana, Oklahoma and Texas to maintain consistency for the breeds. For the Quarter Horses, we are adding the state of Wyoming. While not as prolific as the other regional states by total foal production, it is a jurisdiction that is seeing sustained growth due to the revenues from Historic Horse Racing (HHR) over the past decade.

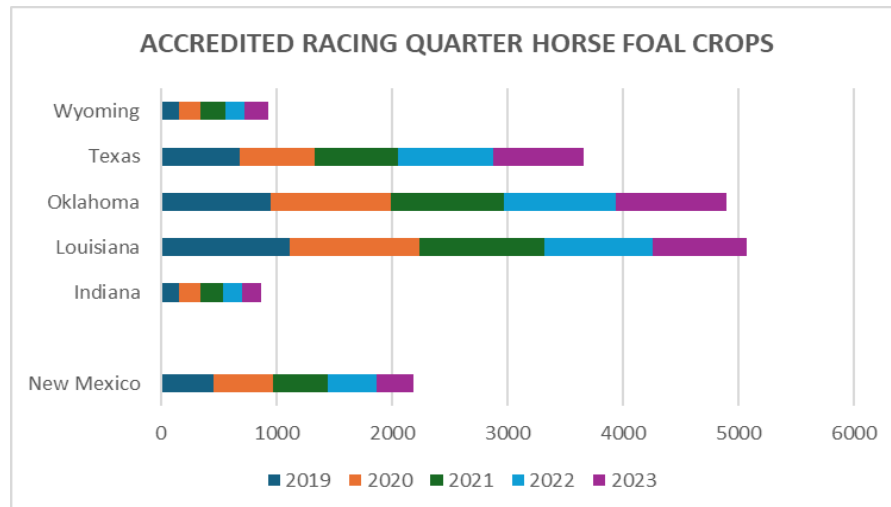
Figure 17 Accredited Racing Quarter Horse Foal Crops State Comparisons

ACCREDITED RACING QUARTER HORSE FOAL CROPS					
	2019	2020	2021	2022	2023
New Mexico	455	514	478	425	312
Indiana	156	185	197	162	174
Louisiana	1115	1121	1081	937	820
Oklahoma	956	1032	982	974	950
Texas	686	642	726	822	780
Wyoming	158	181	225	165	200
Average	590	613	615	581	539

Sources: NM Horse Breeders Association, Oklahoma Quarter Horse Breeders, Louisiana Quarter Horse Breeders, Texas Quarter Horse Breeders, Indian Racing Commission 2024 Annual Report

When looking at how New Mexico measures on Quarter Horse foals, note that the states of Louisiana, Oklahoma and Texas are the primary breeding states for Quarter Horses like Kentucky, Florida and New York are for the Thoroughbred. The five-year foal crop trend has been better in number than the Thoroughbreds in the state but are less than a half to one-third of the Quarter Horse foal crops in Louisiana, Oklahoma and Texas. Note for a point of reference that those three states have separate Quarter Horse meets from Thoroughbred whereas the remaining three in the table (including New Mexico) run mixed meets.

Figure 18 Graphic Comparison of Accredited Racing Quarter Horse Foal Crops by State



Source NM Horse Breeders Association, Oklahoma Quarter Horse Breeders, Louisiana Quarter Horse Breeders, Texas Quarter Horse Breeders, Indian Racing Commission 2024 Annual Report

Like the Thoroughbred foal chart above, this graphic is meant to show how the five-year Quarter Horse foal crop in New Mexico measures against the comparative states. New Mexico is producing far greater numbers than the states of Wyoming and Indiana, but those states are either growing or sustaining their numbers while New Mexico has seen a decline in Quarter Horse foal crops of 31.43 percent over that five-year period. Louisiana and Oklahoma are more than 1,000 foals better than Texas over five years and more than two-and-a-half times that of New Mexico.

While the number of Quarter Horse foals have declined in New Mexico, the racing in New Mexico is more supported by horses bred in other jurisdictions and primarily those jurisdictions benchmarked with New Mexico in this section. This will be discussed as well in the Regional Benchmarking section of this report.

Incentive Programs

One way to measure the importance of the breeding industry in a jurisdiction is by looking at the investment in the industry through the incentives offered. The amount of money available to breeders, owners, and stallion owners varies widely and this may or may not be correlated with the stimulation of breeding and the subsequent foal crops. Additional incentives to buy and own a state-bred horse create additional demand for and market for horse breeders to consider the risk of breeding in that state.

This table looks at the amount of money in various jurisdictions outside of the states of Kentucky, Florida and New York allocated to breeding incentives. These incentives are a combination of awards, purse supplements and bonuses depending on the performance of a state-bred horse.

At nearly \$13M, New Mexico is in the middle of the pack with Louisiana the highest in the U.S. of this group and Ontario as an example of a program making a huge investment into their breeding programs. The average of this group is \$21.43M which New Mexico is below, but when looking at the median, New Mexico is the median of this sample with those jurisdictions ahead in total funding, significantly more and those less, much less. Note the bulk of Ontario's incentives are in the form of restricted purses and Ontario-bred purse supplements.

Figure 19 State-Bred Incentive Awards State Comparisons

State/Province	Awards Including Purse Supplements	% of Breed Incentive Money per Entire Purse & Breeders Fund Pool	(2022 Foal Crop Comparison)	
			TB	QH
New Mexico	\$12.98M	19%	269	425
Alberta	\$5M	25%	160	42
California	\$24M	15%	1315	230
Indiana	\$15.3M	43%	434	162
Iowa	\$4.8M	20%	158	87
Louisiana	\$48.5M	30%	781	937
Oklahoma	\$8.2M	16%	389	974
Ontario	\$80M	24%	713	75
Texas	\$7M	14%	387	822
Wyoming	\$8.5M	55%	22	180

Sources: www.ownerview.com/state-incentive-program; Jockey Club Fact Book by State

Each jurisdiction allocates a different percentage of money related to the whole purse and breeder's incentive structure with Wyoming, Indiana, and Louisiana, the leaders in this category. As mentioned previously, these are jurisdictions growing or maintaining their numbers over the past five years.

Figure 20 State/Province Comparison of Jurisdiction's Breeders Programs

State/Province	Restricted Races	Restricted Stakes Races	Purse Supplement in Open Races	Owners Awards	Breeders Awards	Stallion Awards	Out-of-State Awards	Breed Back Rule
New Mexico	3/day	Yes	Yes	\$1,524,000	\$1,959,431	\$522,512	No	No
Alberta	1/day	Yes	No	\$1,486,108	\$1,251,665	\$122,700	Yes (New)	No
California	1/day	Yes	Yes	Split of \$10 M	Split of \$10M	25% of the rest	Yes	Yes
Indiana	Yes	Yes	Yes	40% of open purse	20% of gross win share	10% of gross win share purse	Yes	Yes
Iowa	Yes	Yes	Yes	In purse supp	\$665,000	\$75,000	No	Yes
Louisiana	3/day	Yes	Yes	Split of \$21.5M	Split of \$21.5M	\$900,000	Yes	Yes
Oklahoma	2/day	Yes	No					
Ontario	Yes	Yes	Yes	\$5,000,000	\$2,800,000	\$320,000	Yes on Stakes	Yes
Texas	2/day	Yes	Yes	\$1,225,000	\$1,225,000	\$1,050,000	Yes	Yes
Wyoming	2/day	Yes	No	\$3,412,133	\$3,412,133	\$1,706,067	No	No

Source: www.ownerview.com/state-incentive-program

As can be seen in the table above, New Mexico and Louisiana require the greatest number of state-bred races per race day. Many of the other sample jurisdictions require two and others only one per day. However, in New Mexico, with the mixed meets, that is three of a combination of Quarter Horse and

Thoroughbred races whereas in Louisiana with the separate meets, that is three Quarter Horse races during the Quarter Horse meet and vice-a-versa.

All the jurisdictions on the list have restricted stakes races and all but Alberta, Oklahoma and Wyoming have purse supplements for open races, however, in Alberta the owners' awards are paid based on the horse racing in any race above a \$9,000 purse amount.

In Wyoming, the amount of awards to owners, breeders, and stallion owners are separated into the three categories with 40% each going to owners and breeders' awards and 20% of the total pool paid to stallion owners. The method of determining payment is unique. During the season, Wyoming-bred horses earn points by how they finish in a race. The points per race are determined by the field size, i.e. five points for a five-horse field with the winner earning five, four to second, three to third so on and so forth. This method of awarding points also rewards racing in a larger field of horses as more points may be earned. At the end of the year, the total points earned by horses are divided into the allocation of funds by category (again, owner, breeder and stallion awards), and a dollar per point is derived. Then, the point value is multiplied by the amount of points a horse earns to determine the total award the owner, breeder or stallion owner receives. For 2024, \$8.5M was paid in this fashion.

As can be seen further, the dollar amount of the awards to owners, breeders and stallions runs the gamut. Arguably the places with higher stallion awards are the jurisdictions, seeing the maintaining of the stallion population in relation to the national population and/or attracting new stallions.

Regarding awards, New Mexico is in the company of Iowa and Wyoming that do not give awards to horses racing out-of-state. When looking at previous benchmarking, there appears to be some correlation to how a jurisdiction benchmarked in relation to New Mexico and this incentive. Most notably, Louisiana and Indiana (as well as Texas) allow breeders' awards to be paid on state-bred horses earning money out of state.

Lastly, New Mexico does not have a breed back rule like many other jurisdictions do. This is in part that in order to be a New Mexico bred, the mare must be accredited in New Mexico and bred to a stallion in New Mexico. Recently, the law was changed to allow the mare to foal in another jurisdiction such as Texas and therefore be dual registered.

Regional Benchmarking

Benchmarking New Mexico racing and breeding give a perspective of how the industry in New Mexico is trending compared to similar jurisdictions. It also helps identify areas that are performing well and other areas that need improvement.

Two methods were considered to determine which tracks to use in the benchmarking comparisons. First, we used the 2021-2024 Daily Racing Form charts where we examined the data to determine the top 80 percent of trainers by starts (for NM tracks and statewide) and created migration maps to select tracks that are competitors for racing stables. See Appendix #1 - Migration Maps to view all the migration maps and where trainers raced outside of New Mexico.

RGE also conducted stakeholder interviews and used our team of experts' knowledge of the competitive horse racing environment to select tracks that either were considered competitors, or the team felt the

jurisdiction had traits that either should be considered for New Mexico or were important to include in comparisons to help with the development of strategies.

When analyzing racing data, comparing the New Mexico tracks and racing to the other tracks is very important and insightful as it shows the primary competition for horses and customer attention in the region and between tracks.

Based on the migration of stables to and from New Mexico, our interviews with stakeholders, and RGE's analysis, the tracks used in benchmarking include Turf Paradise in Arizona, Los Alamitos in California, Arapahoe Park in Colorado, Prairie Meadows in Iowa, Horseshoe Indiana (IND) in Indianapolis, four tracks in Louisiana, Canterbury Park in Minnesota, three tracks in Oklahoma, three tracks in Texas, and three tracks in Wyoming.

The racing benchmarking will look at each racing breed, Thoroughbred and Quarter Horse to make fair comparisons.

Thoroughbred and Quarter Horse Racing Benchmarking

In this section we will look at the number of races by breed for consistent comparison.

Using DRF charts looking at race days by breed can be misleading since some tracks run all Thoroughbred or all Quarter Horse races on some days (meaning only a race day for that breed) while other tracks run days with races for both breeds. *(Note: the table for race days by breed will be in the Appendix #2 –Benchmarking Tables Not Included in the Main Body of the Study.)*

Figure 21 Number of Thoroughbred Races Regional Comparisons

Thoroughbred Races					
State	Track	2021	2022	2023	2024
New Mexico Statewide		577	896	807	728
New Mexico	ALB	125	191	164	200
	RUI	143	87	146	36
	SRP	92	103	104	97
	SUN	4	264	243	244
	ZIA	213	251	150	151
Arizona	TUP	934	828	606	601
California	LA	215	155	140	123
Colorado	ARP	162	265	231	167
Iowa	PRM	596	573	556	567
Indiana	IND	998	965	983	971
Louisiana	DED	953	801	727	600
	EVD	711	691	528	609
	FG	717	757	696	689
	LAD	586	575	450	484
Minnesota	CBY	539	529	396	400
Oklahoma	FMT	165	123	117	113
	RP	601	600	605	602
	WRD	270	252	248	238
Texas	Hou	405	441	360	353
	LS	455	402	379	360
	RET	0	0	0	0
Wyoming	EDR	45	49	48	57
	SWF	28	38	54	45
	WYO	64	68	75	95

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

There are several factors that need to be taken into consideration when comparing the number of races by track and by state. For example, how many tracks are there in a jurisdiction that run races for that breed? What is the location of the track relative to other places to attract horses to either stable at and/or ship in or create a circuit with the track, even if the tracks are not in the same state. What is the state-bred population of horses to support races and how many races are there to attract horses from elsewhere.

One example when comparing can be illustrated from another recent study done by RGE for the Iowa Racing and Gaming Commission. Some of Iowa horsemen/breeders interviewed for that project expressed a desire to be more like Indiana, providing more race dates and race opportunities than they currently have in Iowa. While this is a good goal long term the study looks at some of the current factors mentioned in the previous paragraph to address that when comparing the two tracks.

“First, Indiana has a strong geographical advantage bordering Kentucky and Ohio. These are both states with year around racing and both an easy shipping distance to Indiana. This greatly helps the daily supply of horses as many horses ship-in for races they cannot get or compete in at home.

Second, the Indiana Thoroughbred foal crop in 2022 is 175 percent larger than Iowa’s Thoroughbred foal crop. Third, the mean and median Thoroughbred earnings (purse measure) per race at Horseshoe Indiana are both greater than Iowa’s in 2023. Horseshoe Indiana had 983 Thoroughbred races while Iowa had 556 races. Obviously if Iowa ran 983 races their mean and median earnings/purse per race would decrease drastically. Given the current horse supply and field size, Iowa could run a longer meet but again, it would mean running two days a week like some jurisdictions have done, but this is not efficient or optimal for horsemen or the track.”⁹

If you look at both the number of races in Figure 21 and field size in Figure 23 demonstrates that Iowa under current conditions has trouble maintaining the number of opportunities (races) since the field size for the Thoroughbred races is one of the least. Louisiana and Texas have a much better set of factors. Louisiana has the fifth largest foal crop (2023) by state and a circuit for the horse to run. Texas has positioned its race days along with Remington Park in Oklahoma to make for a nice circuit where horses can compete with both states having separate meets for the Thoroughbreds and Quarter Horses.

When we looked at the national data in the previous section the number of Thoroughbred races was down 42 percent from 2004 to 2024 and in New Mexico the decline was a similar 47 percent over the same 20 years.

New Mexico has some advantages and disadvantages when trying to offer many Thoroughbred races. One advantage compared to some states is New Mexico has five tracks. Some disadvantages to accomplishing the goal are they offer mixed meets, limiting stall space for Thoroughbreds and New Mexico run a high percentage of state-bred only races at the same time. Both factors put great restraints on the number of races that would attract horses from outside New Mexico that are not eligible for New Mexico state-bred races.

⁹ “Horse Racing Study,” Prepared for the Iowa Racing and Gaming Commission, August 12, 2024, by Racing, Gaming & Entertainment LLC, Page 95, <https://irgc.iowa.gov/media/339/download?inline=> (Accessed April 27, 2025.)

New Mexico could use more opportunities for Thoroughbreds but simply adding races most likely will not fix that and only lead to smaller field size. It may take more dramatic changes to improve this situation and something we will examine as we look for solutions in this study.

Figure 22 Number of Quarter Horse Races Regional Comparisons

Quarter Horse Races					
State	Track	2021	2022	2023	2024
New Mexico Statewide		741	1145	1059	1112
☒ New Mexico	ALB	124	174	181	336
	RUI	362	418	382	243
	SRP	85	79	107	119
	SUN	5	256	237	256
	ZIA	165	218	152	158
☒ Arizona	TUP	103	110	72	146
☒ California	LA	610	533	502	484
☒ Colorado	ARP	43	72	81	56
☒ Iowa	PRM	191	195	212	211
☒ Indiana	IND	219	227	215	220
☒ Louisiana	DED	429	508	531	402
	EVD	434	333	343	351
	FG	3	0	0	15
	LAD	278	322	329	295
☒ Minnesota	CBY	76	73	39	40
☒ Oklahoma	FMT	176	160	120	112
	RP	477	444	456	455
	WRD	227	240	225	226
☒ Texas	Hou	401	242	238	234
	LS	307	281	302	306
	RET	0	208	215	208
☒ Wyoming	EDR	81	71	69	90
	SWF	89	105	93	116
	WYO	131	132	128	116

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

New Mexico currently offers significantly more Quarter Horse race opportunities for horsemen compared to the Thoroughbred number of races in New Mexico. Statewide only Louisiana offers a few more Quarter Horse races than New Mexico. The past three years over 1,000 Quarter Horse races have been offered each year in New Mexico indicating a healthy number of opportunities in comparison using this metric.

Figure 23 Thoroughbred Average Field Size Regional Comparisons

Thoroughbred Average Field Size					
State	Track	2021	2022	2023	2024
New Mexico Statewide		7.7	7.7	8.3	7.5
New Mexico	ALB	7.8	8.2	8.8	7.4
	RUI	7.5	6.7	7.7	7
	SRP	7.5	8.6	8.2	7.5
	SUN	8	7.5	8.0	7.6
	ZIA	7.8	7.5	8.9	7.8
Arizona	TUP	7.7	7.6	7.0	7.4
California	LA	6	5.8	6.3	6.2
Colorado	ARP	6.6	6.3	6.4	6.2
Iowa	PRM	6.5	6.6	6.3	6.3
Indiana	IND	7.1	7.8	8	7.8
Louisiana	DED	8.3	8	8.2	8.2
	EVD	7.1	6.9	8.1	7.8
	FG	8.0	7.6	7.8	8.3
	LAD	6.7	6.9	8.1	7.3
Minnesota	CBY	7.3	7.3	6.5	7.4
Oklahoma	FMT	6.1	5.8	5.8	5.8
	RP	8.3	8.1	7.9	7.3
	WRD	6.7	6.5	6.8	6.7
Texas	Hou	8.0	7.7	7.9	8.8
	LS	7.4	7.7	7.9	8.2
	RET	n/a	n/a	n/a	n/a
Wyoming	EDR	5.9	5.3	6.5	7.3
	SWF	5.6	6.7	7.0	6.8
	WYO	7.1	7	7.3	8.7

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

Thoroughbred field size for New Mexico races falls somewhat in the middle when benchmarking against the other tracks. New Mexico field size is less than the Texas tracks, most Louisiana tracks, the lone Indiana track and the main tracks of Oklahoma (Remington Park) and Wyoming (Wyoming Downs.)

New Mexico is on par with Thoroughbred field size in races at Turf Paradise, Louisiana Downs, Canterbury Park, and Energy Downs.

New Mexico's Thoroughbred field size is better than Los Alamitos, Arapahoe Park, Prairie Meadows, two tracks in Oklahoma (Fair Meadows and Will Rogers) and Wyoming's Sweetwater Downs.

Looking at just the New Mexico tracks over the past four years, Ruidoso Downs has struggled to keep Thoroughbred field size as good as the other tracks in New Mexico.

When you look at other states and compare field size, while not always the case, a fair number of the tracks that run mixed race meets have lower field size for the Thoroughbred races. Part of the challenge of filling Thoroughbred races in a mixed meet is the number of stalls allocated to Thoroughbreds is less when having to fill the barn area with both breeds instead of just one. The second factor is generally the Thoroughbred horses have less starts per year and run with more days in between races in many cases.

Figure 24 Quarter Horse Average Field Size Regional Comparisons

Quarter Horse Average Field Size					
State	Track	2021	2022	2023	2024
New Mexico Statewide		8.7	8.8	9.1	8.9
☒ New Mexico	ALB	8.5	8.8	9.0	8.7
	RUI	8.8	8.6	9.1	9
	SRP	8.0	9.1	8.9	9.1
	SUN	8.8	8.8	9.1	9
	ZIA	8.9	9.0	9.1	8.9
☒ Arizona	TUP	8.6	8.8	8.6	8
☒ California	LA	6.6	6.7	6.8	6.9
☒ Colorado	ARP	7.1	8.0	7.1	6.7
☒ Iowa	PRM	7.0	6.6	7.0	7.1
☒ Indiana	IND	8.7	9.0	9.0	8.9
☒ Louisiana	DED	8.5	8.4	8.5	8.5
	EVD	7.5	7.9	8.0	7.8
	FG	10	n/a	n/a	8.4
	LAD	7.5	6.6	7.1	7.9
☒ Minnesota	CBY	7.2	7.0	7.0	6.8
☒ Oklahoma	FMT	7.2	7.0	7.3	8.1
	RP	8.9	9.1	8.7	8.6
	WRD	8.2	8.2	8.4	8.1
☒ Texas	Hou	8.9	8.8	8.7	8.4
	LS	9.5	8.7	8.9	9.1
	RET	n/a	8.6	8.4	8.7
☒ Wyoming	EDR	6.7	6.3	7.8	8.3
	SWF	7.4	7.9	8.3	8.5
	WYO	8.9	8.5	8.6	9

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

Again, using the metric of average field size, the New Mexico Quarter Horse industry appears to offer a very healthy number of opportunities and exceeds all other states using this metric. Larger fields size makes the product more attractive to the wagering public, indicates more horses have an opportunity to run, and more participation in race meets creates greater economic impact. Statewide average field size in 2024 in New Mexico was 8.9 compared to 8.1 in Louisiana, 8.4 in Oklahoma, 8.8 in Texas and 8.6 in Wyoming.

Figure 25 Thoroughbred Number of Starts Regional Comparisons

Thoroughbred Starts					
State	Track	2021	2022	2023	2024
New Mexico Statewide		4430	6893	6701	5487
☒ New Mexico	ALB	973	1570	1437	1488
	RUI	1071	587	1127	252
	SRP	690	888	851	723
	SUN	32	1977	1949	1847
	ZIA	1664	1871	1337	1177
☒ Arizona	TUP	7154	6272	4249	4445
☒ California	LA	1292	897	887	766
☒ Colorado	ARP	1070	1666	1477	1039
☒ Iowa	PRM	3849	3762	3519	3562
☒ Indiana	IND	7043	7559	7837	7602
☒ Louisiana	DED	7938	6443	5950	4945
	EVD	5052	4763	4260	4774
	FG	5751	5745	5400	5708
	LAD	3909	3950	3633	3510
☒ Minnesota	CBY	3926	3867	2565	2966
☒ Oklahoma	FMT	1010	708	676	657
	RP	4992	4834	4767	4398
	WRD	1807	1634	1677	1590
☒ Texas	Hou	3257	3383	2840	2854
	LS	3354	3110	2994	2942
	RET	0	0	0	0
☒ Wyoming	EDR	265	258	312	417
	SWF	158	254	379	306
	WYO	456	473	551	827

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

Races and starts equates to opportunities to run which is important to owners and trainers. When you look at New Mexico you cannot compare 2021 due to the impact of Covid-19 and the State policies limiting the number of race days and thus races, starts or opportunities. The past three years there has been a reduction in race days, races, and starts.

When we compare some of the other jurisdictions to New Mexico, first as noted previously it is difficult to compare Indiana for the same reasons we could not do so when comparing Iowa to Indiana.

What is more illustrative is to look at Louisiana, Oklahoma and Texas. Both states where both Thoroughbred and Quarter Horse racing is important to the economy and both breeds play a significant role in providing opportunities for horsemen/breeders.

As previously mentioned, the Thoroughbred population of local state-bred horses in Louisiana is much greater than any of the other states examined. (Note: only Kentucky, New York, California and Florida have larger foal crops than Louisiana.) Louisiana is also located close to Oklahoma and Texas as is New Mexico. Louisiana is close to the large population of horses in the eastern part of the states and has a signature track in Fairgrounds that attracts a different population of Thoroughbred horses than the other Louisiana tracks.

Oklahoma and Texas as previously mentioned offer a circuit of separate race meets for Thoroughbred horses between Remington Park, Lone Star Park, and Sam Houston. Comparing New Mexico to those two states, considering the difference, the number of opportunities/starts are relatively close per state.

Figure 26 Quarter Horse Number of Starts Regional Comparisons

Quarter Horse Starts					
State	Track	2021	2022	2023	2024
New Mexico Statewide		6421	10082	9603	9891
☒ New Mexico	ALB	1050	1537	1635	2922
	RUI	3179	3601	3479	2181
	SRP	682	716	956	1079
	SUN	44	2259	2153	2295
	ZIA	1466	1969	1380	1414
☒ Arizona	TUP	890	971	617	1167
☒ California	LA	4054	3568	3408	3335
☒ Colorado	ARP	304	575	578	376
☒ Iowa	PRM	1341	1286	1486	1493
☒ Indiana	IND	1896	2044	1939	1953
☒ Louisiana	DED	3659	4255	4531	3424
	EVD	3235	2624	2747	2730
	FG	30	0	0	1221
	LAD	2096	2140	2321	2328
☒ Minnesota	CBY	548	511	272	271
☒ Oklahoma	FMT	1259	1123	876	912
	RP	4251	4020	3972	3904
	WRD	1865	1960	1884	1833
☒ Texas	Hou	3564	2140	2079	1976
	LS	2907	2452	2680	2771
	RET	0	1788	1804	1808
☒ Wyoming	EDR	543	444	537	743
	SWF	662	834	769	985
	WYO	1161	1123	1106	1045

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

As one would expect based on the previous number of races and average field size in New Mexico for Quarter Horses, the number of starts for Quarter horses exceeds all other jurisdictions we compared.

The about 10,000 starts each year for Quarter Horses in New Mexico the past three years clearly exceeds all other jurisdictions compared and only Louisiana comes close in 2024 with 9703 starts compared to New Mexico's 9891 starts. Again, this metric indicates a healthy Quarter Horse industry in New Mexico.

Figure 27 Thoroughbred Number of Unique Starters by Horse Breed Regional Comparisons

Thoroughbred Unique Starters					
State	Track	2021	2022	2023	2024
New Mexico Statewide		1196	1493	1558	1327
New Mexico	ALB	579	722	771	646
	RUI	519	352	583	222
	SRP	411	599	514	463
	SUN	33	779	821	765
	ZIA	760	857	822	684
Arizona	TUP	2016	1918	1283	1560
California	LA	645	569	615	597
Colorado	ARP	409	467	463	385
Iowa	PRM	1044	967	936	996
Indiana	IND	2235	2401	2644	2665
Louisiana	DED	2750	2454	2382	2185
	EVD	1555	1516	1587	1655
	FG	2740	2731	2721	2863
	LAD	1322	1434	1619	1356
Minnesota	CBY	1107	1067	760	772
Oklahoma	FMT	431	351	326	320
	RP	1699	1640	1680	1509
	WRD	654	648	649	631
Texas	Hou	1377	1329	1209	1113
	LS	1402	1312	1311	1265
	RET	0	0	0	0
Wyoming	EDR	132	115	162	189
	SWF	100	123	204	165
	WYO	197	183	229	346

Source: Daily Racing Form Charts, Statistics by Horse Breed

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

Unique starters is another useful category to analyze as this lets us know how many unique horses participate in filling the races throughout the year or the race meet. With more unique horses to participate in the jurisdiction you have a better supply of horses to improve field size, fill races, and provide the inventory needed if you want to expand the opportunities for horsemen/breeders.

It does appear that New Mexico would need to have the existing Thoroughbred horse population run more times a year (and more than the national average) or attract more horses to the state to fill more Thoroughbred races and maintain, or better yet increase field size and provide more opportunities.

The best way to compare tracks and race meets is to look at how many unique starters to races participated in the race meets. This gives us a good indication on the horse supply, utilization of the horses, and some idea whether the supply of horses is sufficient and perhaps enough unique horses to warrant the ability to run more races.

Figure 28 Thoroughbred Unique Starters to Races Ratio Regional Comparisons

Thoroughbred Unique Starters to Races Ratio					
State	Track	2021	2022	2023	2024
New Mexico Statewide		2.07	1.67	1.93	1.82
Arizona Statewide		1.80	1.96	1.94	2.60
Indiana Statewide		2.24	2.49	2.69	2.74
Louisiana Statewide		1.76	1.76	2.09	2.04
Oklahoma Statewide		2.00	2.08	2.09	1.94
Texas Statewide		2.42	2.27	2.43	2.36
Wyoming Statewide		2.21	1.94	2.12	2.50

Source: Daily Racing Form Charts, Statistics by Horse Breed

New Mexico Thoroughbred unique starters to races ratio is the lowest of the states compared. This means that compared to other states New Mexico has less horses participating to fill the number of races run.

Figure 29 Quarter Horse Number of Unique Starters by Horse Breed Regional Comparisons

Quarter Horse Unique Starters					
State	Track	2021	2022	2023	2024
New Mexico Statewide		2086	2581	2710	2779
New Mexico	ALB	696	858	1072	1649
	RUI	1365	1510	1729	1475
	SRP	443	557	750	806
	SUN	43	1121	1187	1278
	ZIA	844	1067	1050	1051
Arizona	TUP	389	420	279	423
California	LA	927	809	802	809
Colorado	ARP	119	173	180	163
Iowa	PRM	447	437	514	505
Indiana	IND	420	502	478	473
Louisiana	DED	1655	1519	1650	1505
	EVD	1373	1248	1271	1287
	FG	30	0	0	847
	LAD	1201	1216	1228	1294
Minnesota	CBY	207	188	124	100
Oklahoma	FMT	665	606	527	595
	RP	1977	1830	1830	1795
	WRD	858	901	910	841
Texas	Hou	1670	1210	1200	1109
	LS	1519	1228	1492	1466
	RET	0	1134	1066	1144
Wyoming	EDR	266	204	276	358
	SWF	288	346	414	492
	WYO	475	487	502	522

Source: Daily Racing Form Charts, Statistics by Horse Breed

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

Again New Mexico Quarter Horse racing seems to have a good supply of unique starters to fill the races. Like the other Quarter Horse metrics examined thus far, New Mexico's Quarter Horse comparisons are good. New Mexico had 2,779 unique starters to participate in 2024 compared to 2,264 in Louisiana, 2,175 in Texas, and 2,012 in Oklahoma. The four states supply of Quarter Horses seems to be strong in comparison to the Thoroughbred supply regionally.

Figure 30 Quarter Horse Unique Starters to Races Ratio Regional Comparisons

Quarter Horse Unique Starters to Races Ratio					
State	Track	2021	2022	2023	2024
New Mexico Statewide		2.82	2.25	2.56	2.50
Arizona Statewide		2.74	2.26	2.68	2.90
Louisiana Statewide		2.15	1.96	1.92	1.90
Oklahoma Statewide		2.59	2.48	2.56	2.54
Texas Statewide		3.12	2.74	2.72	2.70
Wyoming Statewide		1.82	1.91	2.28	2.43

Source: Daily Racing Form Charts, Statistics by Horse Breed

New Mexico Quarter Horse unique starters to races ratio compares more favorably to other states than the New Mexico Thoroughbred ratio. This means that compared to other states New Mexico is like other states when looking at the number of horses participating to fill the number of races run.

Figure 31 Thoroughbred Earnings Per Start Regional Comparisons

Thoroughbred Earnings Per Start					
State	Track	2021	2022	2023	2024
New Mexico Statewide		\$ 3,205	\$ 3,742	\$ 4,112	\$ 4,366
New Mexico	ALB	\$ 3,896	\$ 3,371	\$ 3,321	\$ 3,417
	RUI	\$ 2,168	\$ 2,718	\$ 3,271	\$ 3,103
	SRP	\$ 3,239	\$ 3,752	\$ 2,806	\$ 2,493
	SUN	\$ 2,897	\$ 4,026	\$ 4,502	\$ 4,399
	ZIA	\$ 3,460	\$ 4,071	\$ 5,937	\$ 6,933
Arizona	TUP	\$ 1,877	\$ 2,487	\$ 2,500	\$ 2,972
California	LA	\$ 1,456	\$ 1,522	\$ 1,497	\$ 1,468
Colorado	ARP	\$ 1,939	\$ 1,879	\$ 1,533	\$ 2,648
Iowa	PRM	\$ 4,025	\$ 4,386	\$ 4,802	\$ 4,935
Indiana	IND	\$ 4,437	\$ 4,301	\$ 4,135	\$ 4,199
Louisiana	DED	\$ 2,958	\$ 3,228	\$ 3,267	\$ 3,218
	EVD	\$ 2,492	\$ 2,521	\$ 2,879	\$ 2,880
	FG	\$ 5,146	\$ 5,454	\$ 5,789	\$ 5,753
	LAD	\$ 2,140	\$ 2,259	\$ 2,421	\$ 2,150
Minnesota	CBY	\$ 3,427	\$ 3,500	\$ 3,662	\$ 3,327
Oklahoma	FMT	\$ 1,824	\$ 1,966	\$ 2,213	\$ 2,156
	RP	\$ 3,573	\$ 3,641	\$ 3,539	\$ 3,794
	WRD	\$ 2,259	\$ 2,580	\$ 2,891	\$ 2,676
Texas	Hou	\$ 3,883	\$ 3,595	\$ 3,567	\$ 3,487
	LS	\$ 4,075	\$ 4,016	\$ 3,886	\$ 4,001
	RET	n/a	n/a	n/a	n/a
Wyoming	EDR	\$ 1,142	\$ 1,372	\$ 1,225	\$ 1,782
	SWF	\$ 1,382	\$ 1,314	\$ 1,236	\$ 1,559
	WYO	\$ 983	\$ 1,076	\$ 1,234	\$ 1,510

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

Besides opportunities (races, days, starts) another important metric to compare regionally is purses/ earnings, and earnings per start. When competing with other jurisdictions, it helps to compare if the purses are attractive enough for stables to come race in that jurisdiction.

We first looked at the earnings per start for horses. We will also examine the mean (average) and median (the value separating the higher half and the lower half of a data sample or thought of as the “middle” value) earnings per race.

(Note: Daily Racing Form charts provide the earnings for each race which is very similar to the actual purse. The only difference is sometimes, especially in some states in a very short field the earnings are slightly less than the listed purse because if there are not enough horses, the money not earned may not be awarded and revert to the purse pool for future use.)

New Mexico Thoroughbred racing should be very attractive based on this data set when compared to most other jurisdictions. However, it is important to keep in mind that when the average field size increases, which is important to strive for, the earnings per start will decrease somewhat as there are more starters to share the purses distributed. Increasing the field size is an important goal as this makes the product much more appealing to customers and very important is having more horses participating in a jurisdiction which increases the economic impact, which is vital to the state economy and is often a principal rationale for supporting racing with alternative gaming revenues.

One example of how this data may be skewed is looking at Prairie Meadows. While their earnings per start are one of the highest, the field size for Thoroughbred races in the past two years was only 6.3. This indicates that the product is not attractive for wagering and there are fewer horses participating which means the economic impact for the State of Iowa would be greater if more horses participated in the races adding to the economic impact.

In New Mexico the earnings per start varies among the five tracks which is a factor in the track’s ability to attract horses to participate at that race meet and the type of horses they may attract. We will also look at this when reviewing the mean and median earnings (purse) per race below.

Figure 32 Quarter Horse Earnings Per Start Regional Comparisons

Quarter Horse Earnings Per Start					
State	Track	2021	2022	2023	2024
New Mexico	Statewide	\$ 4,111	\$ 3,844	\$ 4,545	\$ 4,517
	ALB	\$ 4,932	\$ 3,987	\$ 4,550	\$ 6,060
	RUI	\$ 4,397	\$ 4,038	\$ 5,222	\$ 3,656
	SRP	\$ 3,003	\$ 3,539	\$ 3,019	\$ 2,596
	SUN	\$ 2,470	\$ 3,599	\$ 3,447	\$ 3,526
	ZIA	\$ 3,469	\$ 3,770	\$ 5,602	\$ 5,730
Arizona	TUP	\$ 1,556	\$ 2,295	\$ 1,471	\$ 2,609
California	LA	\$ 3,711	\$ 4,199	\$ 4,230	\$ 4,111
Colorado	ARP	\$ 2,100	\$ 1,870	\$ 1,711	\$ 2,688
Iowa	PRM	\$ 2,536	\$ 3,021	\$ 2,876	\$ 3,011
Indiana	IND	\$ 3,005	\$ 3,336	\$ 3,095	\$ 3,141
Louisiana	DED	\$ 2,634	\$ 2,716	\$ 2,731	\$ 2,627
	EVD	\$ 2,254	\$ 2,476	\$ 2,319	\$ 2,549
	FG	\$ 10,000	n/a	n/a	\$ 2,984
	LAD	\$ 1,511	\$ 1,663	\$ 1,585	\$ 1,826
Minnesota	CBY	\$ 3,131	\$ 3,280	\$ 3,206	\$ 2,996
	FMT	\$ 1,560	\$ 1,670	\$ 1,859	\$ 1,790
Oklahoma	RP	\$ 3,421	\$ 3,530	\$ 3,597	\$ 3,632
	WRD	\$ 1,931	\$ 2,258	\$ 2,290	\$ 2,542
Texas	Hou	\$ 3,031	\$ 2,759	\$ 2,392	\$ 2,515
	LS	\$ 2,308	\$ 2,677	\$ 2,848	\$ 2,429
	RET	n/a	\$ 2,303	\$ 2,538	\$ 2,532
Wyoming	EDR	\$ 1,025	\$ 1,418	\$ 1,334	\$ 1,637
	SWF	\$ 1,170	\$ 1,272	\$ 1,410	\$ 1,324
	WYO	\$ 840	\$ 975	\$ 1,270	\$ 1,742

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

New Mexico again provides the opportunity per start to earn purse money compared to the other jurisdictions. This is a contributing factor in why the Quarter Horse industry is very competitive in attracting horses.

Like the Thoroughbred earnings per start in New Mexico, the Quarter Horse earnings per race also varies among the five tracks which is a factor in the track's ability to attract horses to participate at that race meet. In part this is due to the short meet at Zia Park and the large purses for futurities and derbies at Ruidoso Downs. We will look at this closer when looking at the mean and median earnings (purse) per race below.

It should be noted that Ruidoso Downs Quarter Horse purses are skewed by the amount of horsemen's money that is contributed to purses compared to the other tracks. The reason for this is the large number of futurities and derbies run there and the significant amount of nomination, sustaining payments and entry fees (contribution) that go to make up the large purses for those races.

The horsemen's contributions to Quarter Horse purses being quite higher compared to Thoroughbred races for most tracks also needs to be considered when comparing New Mexico track's Thoroughbred purses compared to the Quarter Horse purses.

Figure 33 Thoroughbred Mean Earnings Per Race Regional Comparisons

Thoroughbred Mean Earnings Per Race					
State	Track	2021	2022	2023	2024
New Mexico Statewide		\$ 24,605	\$ 28,789	\$ 34,148	\$ 32,904
☒ New Mexico	ALB	\$ 30,323	\$ 27,707	\$ 29,098	\$ 25,424
	RUI	\$ 16,239	\$ 18,341	\$ 25,247	\$ 21,723
	SRP	\$ 24,289	\$ 32,345	\$ 22,960	\$ 18,579
	SUN	\$ 23,173	\$ 30,146	\$ 36,105	\$ 33,300
	ZIA	\$ 27,030	\$ 30,346	\$ 52,918	\$ 54,041
☒ Arizona	TUP	\$ 14,373	\$ 18,837	\$ 17,529	\$ 21,981
☒ California	LA	\$ 8,749	\$ 8,979	\$ 9,486	\$ 9,141
☒ Colorado	ARP	\$ 12,805	\$ 11,815	\$ 9,799	\$ 16,474
☒ Iowa	PRM	\$ 25,996	\$ 28,795	\$ 30,395	\$ 31,001
☒ Indiana	IND	\$ 31,309	\$ 33,688	\$ 32,963	\$ 32,877
☒ Louisiana	DED	\$ 24,639	\$ 25,964	\$ 26,737	\$ 26,520
	EVD	\$ 17,706	\$ 17,378	\$ 23,228	\$ 22,579
	FG	\$ 41,272	\$ 41,395	\$ 44,916	\$ 47,662
	LAD	\$ 14,278	\$ 15,518	\$ 19,546	\$ 15,592
☒ Minnesota	CBY	\$ 24,964	\$ 25,588	\$ 23,717	\$ 24,670
☒ Oklahoma	FMT	\$ 11,164	\$ 11,316	\$ 12,788	\$ 12,533
	RP	\$ 29,678	\$ 29,336	\$ 27,888	\$ 27,720
	WRD	\$ 15,117	\$ 16,728	\$ 19,547	\$ 17,877
☒ Texas	Hou	\$ 31,229	\$ 27,581	\$ 28,139	\$ 28,191
	LS	\$ 30,041	\$ 31,069	\$ 30,701	\$ 32,698
	RET	n/a	n/a	n/a	n/a
☒ Wyoming	EDR	\$6,723	\$7,226	\$7,960	\$ 13,040
	SWF	\$7,800	\$8,784	\$8,674	\$ 10,604
	WYO	\$7,007	\$7,485	\$9,069	\$ 13,142

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

The mean earnings per race may be a better indicator of how the race purses offered compared to other jurisdictions. The average earnings per race give us a fair measure of the average purses offered at each track or jurisdiction. That said, it is also important to keep in mind the average purse is related to the number of races offered and may be skewed by the percentage of purses allotted to stake races. In most jurisdictions where racinos exist, the principal driver of purses is the alternative gaming revenue. Thus, the number of races you run has an impact on the average purse. With less races the average would go up and vice versa.

Again New Mexico is attractive when comparing the average purse/earnings per race. Purses do not correlate to the apparent problem of filling Thoroughbred races in New Mexico. There is a big differential however in the average purse between the New Mexico tracks. This must be considered when considering changes to make efforts to provide more Thoroughbred opportunities and attract more Thoroughbreds to race in New Mexico either by attracting more horses from other states and/or growing the foal crop of New Mexico bred horses.

Figure 34 Quarter Horse Mean Earnings Per Race Regional Comparisons

Quarter Horse Mean Earnings Per Race					
State	Track	2021	2022	2023	2024
New Mexico Statewide		\$ 35,625	\$ 33,847	\$ 41,214	\$ 40,178
☒ New Mexico	ALB	\$ 41,762	\$ 35,215	\$ 41,099	\$ 52,720
	RUI	\$ 38,613	\$ 34,783	\$ 47,560	\$ 32,813
	SRP	\$ 24,094	\$ 32,077	\$ 26,974	\$ 23,538
	SUN	\$ 21,734	\$ 31,762	\$ 31,314	\$ 31,614
	ZIA	\$ 30,818	\$ 34,050	\$ 50,860	\$ 51,281
☒ Arizona	TUP	\$ 13,447	\$ 20,256	\$ 12,607	\$ 20,855
☒ California	LA	\$ 24,666	\$ 28,108	\$ 28,714	\$ 28,324
☒ Colorado	ARP	\$ 14,845	\$ 14,934	\$ 12,212	\$ 18,045
☒ Iowa	PRM	\$ 17,805	\$ 19,926	\$ 20,157	\$ 21,307
☒ Indiana	IND	\$ 26,016	\$ 30,042	\$ 27,909	\$ 27,879
☒ Louisiana	DED	\$ 22,465	\$ 22,751	\$ 23,303	\$ 22,378
	EVD	\$ 16,798	\$ 19,513	\$ 18,568	\$ 19,829
	FG	\$ 100,000	n/a	n/a	\$ 24,951
	LAD	\$ 11,394	\$ 11,050	\$ 11,184	\$ 14,412
☒ Minnesota	CBY	\$ 22,574	\$ 22,960	\$ 22,361	\$ 20,295
☒ Oklahoma	FMT	\$ 11,156	\$ 11,721	\$ 13,574	\$ 14,580
	RP	\$ 30,492	\$ 31,957	\$ 31,329	\$ 31,163
	WRD	\$ 15,864	\$ 18,443	\$ 19,177	\$ 20,619
☒ Texas	Hou	\$ 26,935	\$ 24,397	\$ 20,898	\$ 21,239
	LS	\$ 21,852	\$ 23,361	\$ 25,275	\$ 21,993
	RET	n/a	\$ 19,795	\$ 21,293	\$ 22,012
☒ Wyoming	EDR	\$6,874	\$8,865	\$10,380	\$ 13,517
	SWF	\$8,704	\$10,106	\$11,661	\$ 11,244
	WYO	\$7,442	\$8,298	\$10,975	\$ 15,693

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

As mentioned, the earnings per race reported by the Daily Racing Form are very close to the same as the purse for the race with the noted minor difference and thus used to measure purses across the region.

New Mexico is very attractive when comparing purses across the various regions. This is another indication of the strong Quarter Horse racing industry in New Mexico. For three of the five tracks more purses are allocated to Quarter Horse races but there are significantly more Quarter Horse races run in New Mexico compared to Thoroughbred races.

The two tracks where more is allocated to Thoroughbred races are apparent from the data, they are Sunland Park and Zia Park. Both have slightly greater total purse money allocated to Thoroughbreds but both tracks also run almost the same number of Quarter Horse and Thoroughbred races.

For Albuquerque you need to look at 2022 and not 2023 or 2024 to observe the purse allocation between breeds. The data for 2024 is skewed due to the unforeseen circumstances and having to move Ruidoso races to Albuquerque as noted. 2023 is the first year that Albuquerque ran the \$1 million futurity and that also made the difference between Quarter Horse and Thoroughbred purses look different.

Anytime you have large purse races and especially those futurities and derbies where large amounts of the purse come from horsemen's contributions it makes the comparisons difficult unless you account for those differences.

Figure 35 Thoroughbred Median Earnings Per Race Regional Comparisons

Thoroughbred Median Earnings Per Race					
State	Track	2021	2022	2023	2024
New Mexico Statewide		\$ 16,800	\$ 18,000	\$ 22,500	\$ 21,400
☒ New Mexico	ALB	\$ 20,398	\$ 17,521	\$ 19,010	\$ 16,656
	RUI	\$ 12,800	\$ 10,810	\$ 18,500	\$ 18,500
	SRP	\$ 20,310	\$ 26,481	\$ 19,496	\$ 15,215
	SUN	\$ 23,196	\$ 15,775	\$ 19,332	\$ 17,500
	ZIA	\$ 16,768	\$ 19,000	\$ 40,500	\$ 45,000
☒ Arizona	TUP	\$ 11,000	\$ 15,120	\$ 13,400	\$ 17,000
☒ California	LA	\$ 8,000	\$ 8,000	\$ 9,000	\$ 9,000
☒ Colorado	ARP	\$ 11,000	\$ 10,000	\$ 7,000	\$ 11,800
☒ Iowa	PRM	\$ 18,190	\$ 20,000	\$ 22,670	\$ 24,013
☒ Indiana	IND	\$ 33,000	\$ 34,000	\$ 34,000	\$ 32,000
☒ Louisiana	DED	\$ 19,000	\$ 19,480	\$ 20,150	\$ 18,715
	EVD	\$ 14,420	\$ 14,000	\$ 18,180	\$ 17,870
	FG	\$ 27,000	\$ 28,000	\$ 44,750	\$ 52,000
	LAD	\$ 11,000	\$ 12,500	\$ 15,510	\$ 13,070
☒ Minnesota	CBY	\$ 18,000	\$ 20,000	\$ 20,450	\$ 29,000
☒ Oklahoma	FMT	\$ 8,470	\$ 8,003	\$ 8,470	\$ 8,294
	RP	\$ 22,028	\$ 20,976	\$ 25,000	\$ 25,000
	WRD	\$ 11,220	\$ 13,080	\$ 15,600	\$ 13,000
☒ Texas	Hou	\$ 24,500	\$ 18,000	\$ 19,185	\$ 31,850
	LS	\$ 23,000	\$ 33,000	\$ 33,000	\$ 33,000
	RET	n/a	n/a	n/a	n/a
☒ Wyoming	EDR	\$5,500	\$5,900	\$5,750	\$ 11,300
	SWF	\$5,900	\$7,900	\$8,000	\$ 7,800
	WYO	\$6,000	\$7,000	\$8,000	\$ 12,500

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

The median for the earnings (purse) per race gives insight into how the distribution of purses is and may indicate tracks that put more on the top end in stakes and allowance races versus the lower levels or it may also indicate the distribution of races in numbers as to how many are at lower vs. higher levels.

An example of this when looking at mean versus median would be Horseshoe Indiana and Sunland Park in 2024, both have very similar mean earnings per race (\$32,877 and \$33,000 respectively) but the median tells another story. Horseshoe Indiana median purse is \$32,000 compared to the \$17,500 median for Sunland Park. One difference is Sunland Park has 9.8 percent of all Thoroughbred races as stake races while Horseshoe Indiana only offers 4.7 percent of their races as stake races. Of course, there will be other differences in the purse schedules of the two tracks and how they distribute overnight purses that is beyond the scope of this report.

The median earnings per race for four of the five New Mexico tracks does not vary much however the reduction in dates at Zia Park in 2023 and 2024 had a big impact increasing the median and mean Thoroughbred purses there significantly. Zia Park for the past two years, due to the reduction in races/dates, has had the highest earnings per race in the regions examined. This is likely one factor that makes the field size for Zia Park Thoroughbred races the past two years the highest in New Mexico.

Figure 36 Quarter Horse Median Earnings Per Race Regional Comparisons

Quarter Horse Median Earnings Per Race					
State	Track	2021	2022	2023	2024
New Mexico Statewide		\$ 16,560	\$ 17,900	\$ 24,614	\$ 22,800
☒ New Mexico	ALB	\$ 30,100	\$ 29,499	\$ 30,000	\$ 22,295
	RUI	\$ 8,000	\$ 9,300	\$ 10,000	\$ 10,000
	SRP	\$ 20,960	\$ 27,000	\$ 23,040	\$ 21,500
	SUN	\$ 24,600	\$ 24,600	\$ 28,176	\$ 27,000
	ZIA	\$ 22,520	\$ 32,832	\$ 45,976	\$ 45,000
☒ Arizona	TUP	\$ 6,800	\$ 18,000	\$ 8,400	\$ 18,000
☒ California	LA	\$ 8,500	\$ 9,300	\$ 10,270	\$ 9,500
☒ Colorado	ARP	\$ 11,000	\$ 8,800	\$ 6,300	\$ 1,000
☒ Iowa	PRM	\$ 11,000	\$ 13,675	\$ 14,500	\$ 14,500
☒ Indiana	IND	\$ 17,000	\$ 17,820	\$ 17,640	\$ 17,640
☒ Louisiana	DED	\$ 14,000	\$ 17,000	\$ 17,000	\$ 15,965
	EVD	\$ 10,500	\$ 13,900	\$ 12,400	\$ 14,000
	FG	\$ 100,000	n/a	n/a	\$ 16,115
	LAD	\$ 8,300	\$ 7,830	\$ 7,500	\$ 10,150
☒ Minnesota	CBY	\$ 18,090	\$ 19,000	\$ 16,000	\$ 17,000
☒ Oklahoma	FMT	\$ 9,300	\$ 9,425	\$ 12,475	\$ 12,475
	RP	\$ 20,210	\$ 22,010	\$ 21,150	\$ 21,850
	WRD	\$ 12,100	\$ 14,500	\$ 15,050	\$ 16,300
☒ Texas	Hou	\$ 20,000	\$ 16,500	\$ 17,500	\$ 17,000
	LS	\$ 13,600	\$ 15,000	\$ 15,000	\$ 15,000
	RET	n/a	\$ 12,500	\$ 15,000	\$ 16,000
☒ Wyoming	EDR	\$5,000	\$5,500	\$4,000	\$ 6,500
	SWF	\$5,700	\$6,100	\$6,100	\$ 6,100
	WYO	\$4,000	\$5,000	\$6,000	\$ 13,000

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

Like the Thoroughbred, the median Quarter Horse earnings per race for three of the five tracks are similar. The other two we believe can be explained. Zia Park as noted above is higher due to the reduction of race days in 2023 and 2024. The low median for Ruidoso Quarter Horse races is likely due to the very large number of trial races run there which makes analysis of the median skewed with many trial races with the low purse.

Figure 37 Thoroughbred Average Win, Place, and Show Handle Per Race Regional Comparisons

Thoroughbred Average WPS Handle Per Race					
State	Track	2021	2022	2023	2024
New Mexico Statewide		\$ 22,100	\$ 23,438	\$ 25,498	\$ 20,706
☒ New Mexico	ALB	\$ 17,219	\$ 18,741	\$ 20,175	\$ 15,957
	RUI	\$ 26,604	\$ 26,916	\$ 26,626	\$ 22,727
	SRP	\$ 18,680	\$ 2,639	\$ 3,684	\$ 3,665
	SUN	\$ 36,691	\$ 35,715	\$ 30,367	\$ 27,734
	ZIA	\$ 23,144	\$ 21,427	\$ 37,457	\$ 26,105
☒ Arizona	TUP	\$ 61,461	\$ 61,720	\$ 58,780	\$ 66,392
☒ California	LA	\$ 39,185	\$ 37,718	\$ 36,099	\$ 35,284
☒ Colorado	ARP	\$ 9,660	\$ 9,333	\$ 13,198	\$ 1,138
☒ Iowa	PRM	\$ 24,619	\$ 24,607	\$ 23,699	\$ 25,446
☒ Indiana	IND	\$ 66,690	\$ 64,823	\$ 79,210	\$ 82,021
☒ Louisiana	DED	\$ 51,879	\$ 49,782	\$ 48,826	\$ 47,764
	EVD	\$ 44,341	\$ 39,609	\$ 59,040	\$ 66,240
	FG	\$ 117,555	\$ 109,734	\$ 112,497	\$ 123,755
	LAD	\$ 25,742	\$ 27,432	\$ 30,219	\$ 31,502
☒ Minnesota	CBY	\$ 54,883	\$ 58,568	\$ 44,049	\$ 49,113
☒ Oklahoma	FMT	\$ 8,851	\$ 12,077	\$ 713	\$ 1,487
	RP	\$ 48,829	\$ 40,842	\$ 40,439	\$ 35,223
	WRD	\$ 28,300	\$ 30,120	\$ 30,108	\$ 27,784
☒ Texas	Hou	\$ 72,955	\$ 69,863	\$ 7,377	\$ 8,211
	LS	\$ 66,146	\$ 49,752	\$ 20,947	\$ 22,856
	RET	n/a	n/a	n/a	n/a
☒ Wyoming	EDR	\$ 1,200	\$ 931	\$ 1,292	\$ 1,146
	SWF	\$ 1,218	\$ 772	\$ 999	\$ 844
	WYO	\$ 6,085	\$ 6,699	\$ 6,033	\$ 6,317

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

Note: There have been noticeable declines in wagering at several tracks over the past four years. This is due to those tracks deciding to not export the simulcast signal for wagering elsewhere and simulcasting in most cases is over 90 percent of handle. Those tracks included: SunRay Park, Arapahoe Park, Fair Meadows, all three Texas tracks and all three Wyoming tracks.

Handle is the best metric to determine the general public's interest in the product. If there is no interest from the public in the product long term that will lead to declines in the industry due to lack of interest in racing, horse ownership, breeding, and growing new interest in horse racing in that region. It is also an

indication to public policy makers that the industry itself has not made efforts to produce an attractive product to appeal to a local, national, and in some cases international audience.

The average WPS Handle (win, place, show) per race was chosen as the best metric to compare races across regions because almost all races offer win, place, and show pools. When we start to compare exotic race wagers it adds several variables, and not all races have the same exotic wagers offered, making comparisons less consistent. The comparison gets worse if you use exotics across multiple races like pick 3, 4, and 5s. The pool for those races is only reported on the last race of the sequence which makes comparisons difficult without a large sample and more sophisticated statistical modeling.

Of the major tracks we compared WPS handle that simulcast their races, the New Mexico races are on the lower end of WPS handle per race. Factors such as a high percentage of state-bred races, smaller field size and maybe disadvantages in distribution of the product (lacking power of supplier due to lack of content) may be some of the reasons for this.

Figure 38 Quarter Horse Average Win, Place, and Show Handle Per Race Regional Comparisons

Quarter Horse Average WPS Handle Per Race					
State	Track	2021	2022	2023	2024
New Mexico Statewide		\$ 22,051	\$ 19,984	\$ 20,772	\$ 18,822
☒ New Mexico	ALB	\$ 16,385	\$ 18,151	\$ 17,436	\$ 22,080
	RUI	\$ 31,301	\$ 29,663	\$ 31,427	\$ 24,486
	SRP	\$ 11,680	\$ 3,162	\$ 3,909	\$ 4,336
	SUN	\$ 12,988	\$ 16,764	\$ 16,671	\$ 18,461
	ZIA	\$ 11,633	\$ 12,766	\$ 16,233	\$ 14,678
☒ Arizona	TUP	\$ 23,016	\$ 24,358	\$ 24,751	\$ 27,249
☒ California	LA	\$ 35,214	\$ 33,725	\$ 33,443	\$ 32,477
☒ Colorado	ARP	\$ 7,081	\$ 10,206	\$ 7,899	\$ 2,089
☒ Iowa	PRM	\$ 9,999	\$ 9,602	\$ 11,686	\$ 12,742
☒ Indiana	IND	\$ 29,725	\$ 27,786	\$ 32,358	\$ 33,302
☒ Louisiana	DED	\$ 17,493	\$ 19,754	\$ 20,092	\$ 22,804
	EVD	\$ 19,954	\$ 16,413	\$ 17,625	\$ 17,410
	FG	\$ 43,147	n/a	n/a	n/a
	LAD	\$ 12,716	\$ 14,155	\$ 11,730	\$ 14,020
☒ Minnesota	CBY	\$ 21,860	\$ 25,286	\$ 21,735	\$ 31,430
☒ Oklahoma	FMT	\$ 7,289	\$ 7,855	\$ 5,295	\$ 6,097
	RP	\$ 26,896	\$ 24,620	\$ 22,312	\$ 23,442
	WRD	\$ 6,254	\$ 6,782	\$ 6,809	\$ 5,755
☒ Texas	Hou	\$ 22,342	\$ 21,609	\$ 16,604	\$ 17,935
	LS	\$ 26,424	\$ 20,822	\$ 19,538	\$ 18,483
	RET	n/a	\$ 15,755	\$ 15,399	\$ 20,090
☒ Wyoming	EDR	\$ 1,183	\$ 1,055	\$ 1,034	\$ 1,354
	SWF	\$ 1,406	\$ 917	\$ 1,145	\$ 1,088
	WYO	\$ 5,240	\$ 5,723	\$ 5,675	\$ 5,896

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

Note: There have been noticeable declines in wagering at several tracks over the past four years. This is due to those tracks deciding to not export the simulcast signal for wagering elsewhere and simulcasting in most cases is over 90 percent of handle. Those tracks included: SunRay Park, Arapahoe Park, Fair Meadows, all three Texas tracks and all three Wyoming tracks. Due to less distribution of Quarter Horse races, the impact is less on Quarter Horse races compared to Thoroughbred races.

The first question is how the New Mexico Quarter Horse handle compares in the region, and we should also look at the handle at New Mexico tracks and compare the Thoroughbred and Quarter Horse handle.

Except for Los Alamitos and Horseshoe Indiana the handle for the New Mexico races compares well with other tracks. Due to the few Quarter Horse races run at Canterbury Park we exclude them in comparison. Los Alamitos has a much larger population, a greater distribution of their simulcast signal and a niche time slot in the late evenings with little competition. Both Horseshoe Indiana and Los Alamitos have greater distribution of their simulcast signal and Indiana has worked hard to position their signal and expand international simulcasting.

With those noted exceptions the New Mexico Quarter Horse handle does compare well with those exporting their signal. Texas is doing very well compared to New Mexico when you factor in the last two years, they have stopped exporting their signal but the population base for those tracks is greater.

The four tracks in New Mexico that do export their simulcast signal vary a lot depending on the track and their distribution of the signals, type of races that are the focus of the meet, and other factors.

Sunland Park and Zia Park Thoroughbred races in 2023 and 2024 handled from 33 percent to 57 percent more than the Quarter Horse races. The other two tracks that export, Albuquerque and Ruidoso, are more difficult to compare, especially in 2024. Looking at the other three years, Ruidoso may be the exception to many mixed meets in that the Quarter Horse handle is very competitive with the Thoroughbred handle, but it is known as a primarily Quarter Horse track and the quality and field size of the Quarter Horse races is much greater than the Thoroughbred races it runs during the meet. Albuquerque (including the State Fair since we are using Daily Racing Form Charts) is not consistent when making the comparisons and we suspect given the variability of the data other factors may be influencing the data and thus we refrain from making a firm conclusion but clearly the upside to the Thoroughbred handle is not like Zia Park and Sunland Park.

State-bred Races – Regional Benchmarking

The New Mexico State-bred program is vital to both the racing and breeding side of the New Mexico industry and like most things in horse racing need to be viewed using a system thinking approach. Many aspects and any changes made are interrelated in the industry. The state-bred program impacts the racing and breeding segments and must be looked at in conjunction with those other benchmarking segments in this study.

Figure 39 Thoroughbred Percentage of State-Bred Races

Thoroughbred Data					
		Pct. Of State-Bred Races			
State	Track	2021	2022	2023	2024
New Mexico Statewide		44.7%	44.2%	43.1%	45.3%
New Mexico	ALB	44.8%	36.1%	30.5%	46.0%
	RUI	50.3%	44.8%	54.1%	58.3%
	SRP	42.4%	36.9%	31.7%	25.8%
	SUN	75.0%	55.7%	51.9%	48.0%
	ZIA	41.3%	41.0%	40.0%	49.7%
Arizona	TUP	2.0%	1.9%	1.5%	5.7%
California	LA	0.0%	0.0%	0.0%	0.0%
Colorado	ARP	6.2%	8.3%	7.8%	10.8%
Iowa	PRM	37.8%	39.8%	41.7%	41.3%
Indiana	IND*	49.1%	48.1%	44.7%	47.1%
Louisiana	DED	36.2%	34.6%	37.3%	38.2%
	EVD	37.6%	39.1%	41.5%	39.9%
	FG	37.5%	41.9%	42.1%	38.3%
	LAD	31.6%	35.8%	36.9%	38.2%
Minnesota	CBY	26.3%	24.4%	24.7%	19.3%
Oklahoma	FMT	23.6%	26.0%	27.4%	25.7%
	RP	33.8%	29.8%	29.4%	30.9%
	WRD	38.1%	37.3%	36.7%	39.1%
Texas	Hou	23.0%	23.6%	27.5%	27.5%
	LS	29.0%	29.6%	30.1%	29.4%
	RET	n/a	n/a	n/a	n/a
Wyoming	EDR	4.3%	2.0%	0.0%	3.5%
	SWF	0.0%	0.0%	1.9%	4.4%
	WYO	0.0%	0.0%	0.0%	0.0%

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

Looking at the percentage of Thoroughbred state-bred races and comparing on a statewide basis Indiana, New Mexico, Iowa, and Louisiana have the highest percent of state-bred races in our regional comparison.

Indiana's Thoroughbred foal crop has averaged 420 foals from 2020 to 2023 which is averaging 100 more than New Mexico has in the past five years. We also spoke with the racing secretary at Horseshoe Indiana to gain more insight into how he maintains reasonable field size for both state-bred and open races. As we noted in the racing regional benchmark section of this study, he noted the location of Horseshoe Indiana is a primary factor in helping him fill the open races. He stated some open races fill with all ship-ins from Ohio, Kentucky, and farms in the surrounding area. He can attract many horses not stabled at the track to enter races due to the location and large supply of horses within shipping distance.

Iowa does not make a good comparison as a study was recently done for the Iowa Racing and Gaming Commission to address the declines there and the Thoroughbred average field size for open and state-bred races were at the very low end when benchmarked.

Louisiana like Indiana has large Thoroughbred foal crops and has the fifth largest state-bred crop in the nation. Louisiana averages almost 800 Thoroughbred foals a year for the past four years or more than two and half times that of New Mexico.

It is concerning given the lack of supply of New Mexico bred horses in comparison and lack of non-New Mexico horses participating in New Mexico that they run so many state-bred races. While the average field size for open and state-bred races is not at the bottom nor top (see Figure 41) there is considerable room for improvement if changes can be made to increase the local foal crop and attract more horses from out of state.

Figure 40 Quarter Horse Percentage of State-Bred Races

Quarter Horse Data					
		Pct. Of State-Bred Races			
State	Track	2021	2022	2023	2024
New Mexico Statewide		29.4%	32.8%	34.2%	32.7%
☒ New Mexico	ALB	35.5%	40.2%	41.4%	28.6%
	RUI	23.8%	24.6%	24.6%	26.7%
	SRP	30.6%	31.6%	32.7%	26.1%
	SUN	20.0%	37.9%	38.8%	41.0%
	ZIA	37.0%	36.7%	43.4%	42.4%
☒ Arizona	TUP	2.9%	4.5%	2.8%	35.6%
☒ California	LA	3.3%	3.6%	4.2%	3.9%
☒ Colorado	ARP	32.6%	20.8%	18.5%	28.6%
☒ Iowa	PRM	30.9%	31.3%	27.4%	29.9%
☒ Indiana	IND	46.1%	42.7%	40.0%	40.5%
☒ Louisiana	DED	58.7%	57.5%	55.2%	57.7%
	EVD	47.9%	46.2%	45.2%	47.3%
	FG	n/a	n/a	n/a	43.2%
	LAD	53.2%	43.2%	41.6%	41.7%
☒ Minnesota	CBY	34.2%	42.5%	43.6%	42.5%
☒ Oklahoma	FMT	12.5%	20.0%	13.3%	19.6%
	RP	19.7%	19.4%	17.5%	21.8%
	WRD	19.8%	21.3%	27.1%	25.2%
☒ Texas	Hou	26.2%	20.2%	15.5%	17.5%
	LS	14.7%	10.0%	10.9%	11.8%
	RET	n/a	23.6%	18.6%	18.3%
☒ Wyoming	EDR	46.9%	38.0%	44.9%	42.2%
	SWF	34.8%	34.3%	44.1%	31.9%
	WYO	44.1%	47.2%	47.4%	50.0%

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

The benchmarking for the Quarter Horses looks much better than the current Thoroughbred situation. Average field size for both open and state-bred Quarter Horse races in New Mexico (see Figure 44) are highest in the comparable group and based on that and the other benchmarks it seems New Mexico can support the current percentage of state-bred races for Quarter Horses.

New Mexico percentage of state-bred Quarter Horse races benchmarks ideally and considering that Indiana and Louisiana have similar advantages as cited above regarding Thoroughbreds we feel the current data represents a healthy mix of open and state-bred races for Quarter Horses.

Figure 41 Thoroughbred Average Field Size Open Races and State-Bred Races

Thoroughbred Data										
		Unrestricted Races Avg. Field Size				State-bred Races Avg. Field Size				
State	Track	2021	2022	2023	2024		2021	2022	2023	2024
New Mexico Statewide		7.6	7.6	8.4	7.4		7.8	7.8	8.2	7.7
☒ New Mexico	ALB	7.7	8.2	8.9	7.3		7.9	8.3	8.5	7.7
	RUI	7.3	6.6	7.9	6.8		7.7	6.9	7.6	7.1
	SRP	7.6	8.8	8.1	7.6		7.4	8.4	8.4	6.9
	SUN	5.0	7.1	7.9	7.4		9.0	7.8	8.1	7.8
	ZIA	7.7	7.4	9.0	7.7		8.0	7.6	8.8	7.9
☒ Arizona	TUP	7.7	7.6	7.0	7.5		6.3	7.1	5.2	6.1
☒ California	LA	6.0	5.8	6.3	6.2		n/a	n/a	n/a	n/a
☒ Colorado	ARP	6.6	6.3	6.5	6.3		6.9	5.6	5.4	5.2
☒ Iowa	PRM	6.3	6.3	6.1	6.2		6.8	6.9	6.7	6.4
☒ Indiana	IND	6.7	7.4	7.7	7.7		7.4	8.3	8.3	7.9
☒ Louisiana	DED	8.4	8.1	8.1	8.2		8.2	7.9	8.2	8.3
	EVD	7.0	6.7	8.1	7.7		7.3	7.2	8.1	8.1
	FG	7.8	7.3	7.5	8.1		8.4	8.0	8.1	8.5
	LAD	6.7	6.9	8.3	7.5		6.6	6.7	7.6	6.9
☒ Minnesota	CBY	7.2	7.3	6.5	7.4		7.6	7.2	6.5	7.3
☒ Oklahoma	FMT	6.1	5.7	5.6	5.7		6.2	5.9	6.1	6.1
	RP	8.1	8.0	7.8	7.3		8.7	8.2	8.1	7.4
	WRD	6.5	6.2	6.5	6.3		7.0	6.9	7.3	7.2
☒ Texas	Hou	8.0	7.6	7.8	8.1		8.1	8.0	8.1	8.1
	LS	7.5	7.7	8.0	8.0		7.1	7.8	7.7	8.6
	RET	n/a	n/a	n/a	n/a		n/a	n/a	n/a	n/a
☒ Wyoming	EDR	5.9	5.3	6.5	7.4		6.0	5.0	n/a	6.0
	SWF	5.6	6.7	7.0	6.7		n/a	n/a	8.0	8.0
	WYO	7.1	7.0	7.3	8.7		n/a	n/a	n/a	n/a

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

As previously noted, the Thoroughbred average field size at New Mexico tracks is similar to the national average and somewhat in the middle when compared regionally. New Mexico state-bred average field size versus open races in many but not all cases is better than the open races but on a statewide comparison is not too significantly different over the four years compared.

However, if the New Mexico foal crop does not grow and the tracks cannot attract more horses from other regions this situation will deteriorate.

Figure 42 Thoroughbred Average Win, Place, Show Handle per Open and State-Bred Races

Thoroughbred Data									
State	Track	Unrestricted Race Mean Handle WPS				State-Bred Race Mean Handle WPS			
		2021	2022	2023	2024	2021	2022	2023	2024
New Mexico Statewide		\$ 21,504	\$ 22,324	\$ 24,558	\$ 19,909	\$ 22,837	\$ 24,843	\$ 26,738	\$ 21,668
New Mexico	ALB	\$ 17,543	\$ 18,149	\$ 19,978	\$ 15,827	\$ 16,819	\$ 19,787	\$ 20,623	\$ 16,110
	RUI	\$ 24,535	\$ 28,348	\$ 25,785	\$ 23,224	\$ 28,645	\$ 25,153	\$ 27,339	\$ 22,373
	SRP	\$ 18,250	\$ 2,617	\$ 3,718	\$ 3,706	\$ 19,265	\$ 2,675	\$ 3,610	\$ 3,544
	SUN	\$ 20,710	\$ 37,308	\$ 31,644	\$ 27,746	\$ 42,017	\$ 34,448	\$ 29,181	\$ 27,722
	ZIA	\$ 23,356	\$ 20,623	\$ 36,672	\$ 27,310	\$ 22,842	\$ 22,583	\$ 38,635	\$ 24,883
Arizona	TUP	\$ 61,637	\$ 61,675	\$ 58,973	\$ 66,690	\$ 52,943	\$ 63,993	\$ 45,974	\$ 61,415
California	LA	\$ 39,185	\$ 37,718	\$ 36,099	\$ 35,284	n/a	n/a	n/a	n/a
Colorado	ARP	\$ 9,594	\$ 9,018	\$ 12,415	\$ 1,138	\$ 10,666	\$ 12,814	\$ 22,460	\$ 1,132
Iowa	PRM	\$ 24,305	\$ 23,044	\$ 23,257	\$ 26,423	\$ 25,137	\$ 26,971	\$ 24,317	\$ 24,056
Indiana	IND	\$ 67,916	\$ 64,714	\$ 80,428	\$ 85,123	\$ 65,418	\$ 64,942	\$ 77,702	\$ 78,532
Louisiana	DED	\$ 52,485	\$ 50,456	\$ 48,163	\$ 47,664	\$ 50,810	\$ 48,509	\$ 49,942	\$ 47,926
	EVD	\$ 43,717	\$ 38,296	\$ 60,074	\$ 63,677	\$ 45,378	\$ 41,656	\$ 57,581	\$ 70,101
	FG	\$ 125,304	\$ 122,947	\$ 125,324	\$ 134,402	\$ 104,650	\$ 91,395	\$ 94,854	\$ 106,614
	LAD	\$ 25,634	\$ 27,677	\$ 30,944	\$ 32,651	\$ 25,974	\$ 26,993	\$ 28,979	\$ 29,644
Minnesota	CBY	\$ 54,520	\$ 58,046	\$ 43,123	\$ 48,487	\$ 56,652	\$ 60,187	\$ 46,863	\$ 51,738
Oklahoma	FMT	\$ 8,645	\$ 11,970	\$ 685	\$ 1,436	\$ 9,515	\$ 12,381	\$ 787	\$ 1,634
	RP	\$ 50,547	\$ 40,789	\$ 40,626	\$ 34,612	\$ 45,460	\$ 40,966	\$ 39,989	\$ 36,589
	WRD	\$ 27,022	\$ 28,754	\$ 28,984	\$ 25,396	\$ 30,372	\$ 32,416	\$ 32,048	\$ 31,507
Texas	Hou	\$ 73,688	\$ 69,401	\$ 6,982	\$ 8,172	\$ 70,496	\$ 71,360	\$ 8,419	\$ 8,316
	LS	\$ 69,447	\$ 51,206	\$ 21,641	\$ 22,987	\$ 58,069	\$ 46,292	\$ 19,366	\$ 22,543
	RET	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Wyoming	EDR	\$ 1,209	\$ 935	\$ 1,292	\$ 1,144	\$ 995	\$ 712	n/a	\$ 2,792
	SWF	\$ 1,218	\$ 772	\$ 998	\$ 85	n/a	n/a	\$ 1,065	\$ 710
	WYO	\$ 6,085	\$ 6,699	\$ 6,033	\$ 6,317	n/a	n/a	n/a	n/a

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

Note: Colorado, Fair Meadows, SunRay Park and Texas and Wyoming tracks are currently not exporting their live races.

Handle is an indication of the public's interest in the product. New Mexico's average handle on Thoroughbred races is below most comparable tracks that also export their signal. There are many factors that could contribute to the difference.

The difference in average handle per race between the New Mexico state-bred and open races is not too significantly different.

Figure 43 Thoroughbred Average Win, Place, Show Handle per Starter for Open and State-Bred Races

Thoroughbred Data									
State	Track	Unrestricted Race Mean Handle WPS per starter				State-Bred Race Mean Handle WPS per starter			
		2021	2022	2023	2024	2021	2022	2023	2024
New Mexico Statewide		\$ 2,829	\$ 2,937	\$ 2,924	\$ 2,690	\$ 2,928	\$ 3,185	\$ 3,261	\$ 2,814
New Mexico	ALB	\$ 2,278	\$ 2,213	\$ 2,245	\$ 2,168	\$ 2,129	\$ 2,384	\$ 2,426	\$ 2,092
	RUI	\$ 3,361	\$ 4,295	\$ 3,264	\$ 3,415	\$ 3,720	\$ 3,645	\$ 3,597	\$ 3,151
	SRP	\$ 2,401	\$ 297	\$ 459	\$ 488	\$ 2,603	\$ 318	\$ 430	\$ 514
	SUN	\$ 4,142	\$ 5,255	\$ 4,006	\$ 3,749	\$ 4,669	\$ 4,416	\$ 3,603	\$ 3,554
	ZIA	\$ 3,033	\$ 2,787	\$ 4,075	\$ 3,547	\$ 2,855	\$ 2,971	\$ 4,390	\$ 3,150
Arizona	TUP	\$ 8,005	\$ 8,115	\$ 8,425	\$ 8,892	\$ 8,404	\$ 9,013	\$ 8,841	\$ 10,068
California	LA	\$ 6,531	\$ 6,503	\$ 5,730	\$ 5,691	n/a	n/a	n/a	n/a
Colorado	ARP	\$ 1,454	\$ 1,431	\$ 1,910	\$ 181	\$ 1,546	\$ 2,288	\$ 4,159	\$ 218
Iowa	PRM	\$ 3,858	\$ 3,658	\$ 3,813	\$ 4,262	\$ 3,697	\$ 3,909	\$ 3,629	\$ 3,759
Indiana	IND	\$ 10,137	\$ 8,745	\$ 10,445	\$ 11,055	\$ 8,840	\$ 7,824	\$ 9,362	\$ 9,941
Louisiana	DED	\$ 6,248	\$ 6,229	\$ 5,946	\$ 5,813	\$ 6,196	\$ 6,140	\$ 6,090	\$ 5,774
	EVD	\$ 6,245	\$ 5,716	\$ 7,417	\$ 8,270	\$ 6,216	\$ 5,786	\$ 7,109	\$ 8,654
	FG	\$ 16,065	\$ 16,842	\$ 16,710	\$ 16,593	\$ 12,458	\$ 11,424	\$ 11,710	\$ 12,543
	LAD	\$ 3,826	\$ 4,011	\$ 3,728	\$ 4,353	\$ 3,935	\$ 4,029	\$ 3,813	\$ 4,296
Minnesota	CBY	\$ 7,572	\$ 7,952	\$ 6,634	\$ 6,552	\$ 7,454	\$ 8,359	\$ 7,210	\$ 7,087
Oklahoma	FMT	\$ 1,417	\$ 2,100	\$ 122	\$ 252	\$ 1,535	\$ 2,098	\$ 129	\$ 268
	RP	\$ 6,240	\$ 5,099	\$ 5,208	\$ 4,741	\$ 5,225	\$ 4,996	\$ 4,937	\$ 4,944
	WRD	\$ 4,157	\$ 4,638	\$ 4,459	\$ 4,031	\$ 4,339	\$ 4,698	\$ 4,390	\$ 4,376
Texas	Hou	\$ 9,211	\$ 9,132	\$ 895	\$ 1,009	\$ 8,703	\$ 8,920	\$ 1,039	\$ 1,027
	LS	\$ 9,260	\$ 6,650	\$ 2,705	\$ 2,873	\$ 8,179	\$ 5,935	\$ 2,515	\$ 2,621
	RET	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Wyoming	EDR	\$ 205	\$ 176	\$ 199	\$ 155	\$ 166	\$ 142	n/a	\$ 465
	SWF	\$ 218	\$ 115	\$ 143	\$ 13	n/a	n/a	\$ 133	\$ 89
	WYO	\$ 857	\$ 957	\$ 826	\$ 726	n/a	n/a	n/a	n/a

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

Note: Colorado, Fair Meadows, SunRay Park and Texas and Wyoming tracks are currently not exporting their live races.

Looking at the average handle per starter adjusted for field size. The New Mexico average race handle again is below comparable tracks that export their signal.

Looking at New Mexico open races and state-bred races when we compare average handle per starter we observe in many cases, adjusting for the field size, the open race tends to handle better than state-bred races in New Mexico.

Figure 44 Quarter Horse Average Field Size Open Races and State-Bred Races

Quarter Horse Data									
State	Track	Unrestricted Races Avg. Field Size				State-bred Races Avg. Field Size			
		2021	2022	2023	2024	2021	2022	2023	2024
New Mexico Statewide		8.6	8.7	9.0	8.8	8.7	8.9	9.2	9.0
☒ New Mexico	ALB	8.4	8.7	8.8	8.6	8.6	9.0	9.3	8.9
	RUI	8.8	8.6	9.1	8.9	8.7	8.5	9.2	9.2
	SRP	7.8	9.1	8.7	9.0	8.5	9.0	9.5	9.3
	SUN	9.3	8.6	9.0	9.0	7.0	9.1	9.2	8.9
	ZIA	8.9	9.0	9.0	8.9	8.9	9.1	9.2	9.0
☒ Arizona	TUP	8.7	8.8	8.6	8.5	8.3	9.0	8.5	7.1
☒ California	LA	6.6	6.7	6.8	6.9	7.4	7.3	6.6	7.0
☒ Colorado	ARP	7.2	7.8	7.2	6.7	6.8	8.6	6.8	6.7
☒ Iowa	PRM	7.0	6.6	6.9	6.9	7.2	6.5	7.3	7.5
☒ Indiana	IND	8.7	8.9	9.0	8.9	8.7	9.1	9.0	8.9
☒ Louisiana	DED	8.2	8.3	8.5	8.4	8.8	8.5	8.6	8.6
	EVD	7.2	7.8	8.0	7.9	7.7	7.9	8.0	7.6
	FG	n/a	n/a	n/a	8.3	n/a	n/a	n/a	8.4
	LAD	7.2	6.4	7.0	7.9	7.8	7.0	7.2	7.9
☒ Minnesota	CBY	7.1	7.0	7.2	6.6	7.4	7.1	6.6	7.0
☒ Oklahoma	FMT	7.2	7.1	7.2	8.2	6.9	6.8	7.8	7.8
	RP	8.9	9.1	8.8	8.6	8.8	8.8	8.5	8.5
	WRD	8.2	8.2	8.5	8.1	8.4	7.9	8.1	8.0
☒ Texas	Hou	9.0	8.9	8.7	8.5	8.6	8.7	8.9	8.4
	LS	9.5	8.7	8.9	9.1	9.6	8.6	8.5	8.9
	RET	n/a	8.6	8.4	8.7	n/a	8.6	8.5	8.6
☒ Wyoming	EDR	6.6	6.0	7.6	8.2	6.8	6.7	8.1	8.3
	SWF	7.3	7.8	8.2	8.5	7.7	8.2	8.3	8.5
	WYO	8.8	8.5	8.6	8.9	8.9	8.5	8.8	9.2

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

Average field size of New Mexico Quarter Horse races is at or above others in the regional comparison. Comparing New Mexico state-bred and open races both have similar average field size and regionally are better than most other comparable tracks.

Figure 45 Quarter Horse Average Win, Place, Show Handle per Open and State-Bred Race

Quarter Horse Data									
State	Track	Unrestricted Race Mean Handle WPS				State-Bred Race Mean Handle WPS			
		2021	2022	2023	2024	2021	2022	2023	2024
New Mexico Statewide		\$ 23,503	\$ 21,226	\$ 22,004	\$ 19,417	\$ 18,567	\$ 17,435	\$ 18,400	\$ 17,601
New Mexico	ALB	\$ 17,809	\$ 18,153	\$ 17,003	\$ 22,814	\$ 13,795	\$ 18,149	\$ 18,048	\$ 20,245
	RUI	\$ 32,406	\$ 31,577	\$ 33,325	\$ 24,999	\$ 27,753	\$ 23,812	\$ 25,611	\$ 23,082
	SRP	\$ 11,323	\$ 3,118	\$ 3,739	\$ 4,364	\$ 12,490	\$ 3,257	\$ 4,258	\$ 4,255
	SUN	\$ 13,477	\$ 16,839	\$ 15,738	\$ 18,925	\$ 11,034	\$ 16,641	\$ 18,141	\$ 17,793
	ZIA	\$ 11,552	\$ 12,056	\$ 16,112	\$ 14,908	\$ 11,772	\$ 13,991	\$ 16,391	\$ 14,366
Arizona	TUP	\$ 23,065	\$ 24,364	\$ 24,895	\$ 27,886	\$ 21,363	\$ 24,243	\$ 19,722	\$ 26,097
California	LA	\$ 35,214	\$ 33,637	\$ 33,596	\$ 32,372	\$ 35,209	\$ 36,097	\$ 29,940	\$ 35,054
Colorado	ARP	\$ 6,480	\$ 9,322	\$ 7,387	\$ 1,897	\$ 8,327	\$ 13,563	\$ 10,150	\$ 2,569
Iowa	PRM	\$ 9,757	\$ 9,405	\$ 11,098	\$ 11,609	\$ 10,540	\$ 10,036	\$ 13,248	\$ 15,405
Indiana	IND	\$ 29,735	\$ 27,898	\$ 33,243	\$ 32,321	\$ 29,713	\$ 27,636	\$ 31,031	\$ 34,745
Louisiana	DED	\$ 17,237	\$ 18,216	\$ 18,953	\$ 22,110	\$ 17,672	\$ 20,892	\$ 21,016	\$ 23,313
	EVD	\$ 19,421	\$ 16,301	\$ 17,513	\$ 17,345	\$ 20,534	\$ 16,543	\$ 17,760	\$ 17,484
	FG	n/a	n/a	n/a	\$ 11,258	n/a	n/a	n/a	\$ 10,356
	LAD	\$ 12,247	\$ 13,909	\$ 11,826	\$ 14,528	\$ 13,127	\$ 14,480	\$ 11,595	\$ 13,310
Minnesota	CBY	\$ 20,757	\$ 23,921	\$ 21,647	\$ 29,497	\$ 23,981	\$ 27,135	\$ 21,849	\$ 34,046
Oklahoma	FMT	\$ 7,453	\$ 8,116	\$ 5,263	\$ 6,266	\$ 6,144	\$ 6,813	\$ 5,500	\$ 5,408
	RP	\$ 26,797	\$ 24,706	\$ 22,057	\$ 22,964	\$ 27,298	\$ 24,261	\$ 23,515	\$ 25,163
	WRD	\$ 6,257	\$ 6,965	\$ 6,673	\$ 5,802	\$ 6,245	\$ 6,104	\$ 7,173	\$ 5,615
Texas	Hou	\$ 23,182	\$ 21,743	\$ 16,768	\$ 18,172	\$ 19,973	\$ 21,081	\$ 15,716	\$ 16,818
	LS	\$ 26,643	\$ 21,005	\$ 20,002	\$ 18,826	\$ 25,146	\$ 19,169	\$ 15,761	\$ 15,910
	RET	n/a	\$ 15,016	\$ 14,912	\$ 19,147	n/a	\$ 18,154	\$ 17,529	\$ 24,307
Wyoming	EDR	\$ 1,223	\$ 1,075	\$ 1,106	\$ 1,388	\$ 1,138	\$ 1,024	\$ 947	\$ 1,307
	SWF	\$ 1,398	\$ 932	\$ 1,194	\$ 1,007	\$ 1,423	\$ 890	\$ 1,081	\$ 1,261
	WYO	\$ 5,311	\$ 5,994	\$ 5,906	\$ 6,147	\$ 5,038	\$ 5,119	\$ 5,035	\$ 5,317

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

Note: Colorado, Fair Meadows, SunRay Park and Texas and Wyoming tracks are currently not exporting their live races.

Except for Ruidoso Downs, the New Mexico Quarter Horse handle is slightly less than other comparable tracks that export their races. Los Alamitos and Horseshoe Indiana appear to have the best distribution and/or interest in their Quarter Horse races based on handle.

New Mexico statewide does handle better on the open Quarter Horse races when compared to state-bred Quarter Horse races.

When we compare New Mexico Thoroughbred race handle to the New Mexico Quarter Horse handle the Thoroughbred do handle more per race and in the next table we see a greater gap when adjusting for field size.

Figure 46 Quarter Horse Average Win, Place, Show Handle per Starter for Open and State-Bred Races

Quarter Horse Data									
		Unrestricted Race Mean Handle WPS per starter				State-Bred Race Mean Handle WPS per starter			
State	Track	2021	2022	2023	2024	2021	2022	2023	2024
New Mexico Statewide		\$ 2,733	\$ 2,440	\$ 2,445	\$ 2,206	\$ 2,134	\$ 1,959	\$ 2,000	\$ 1,956
New Mexico	ALB	\$ 2,120	\$ 2,087	\$ 1,932	\$ 2,653	\$ 1,604	\$ 2,017	\$ 1,941	\$ 2,275
	RUI	\$ 3,683	\$ 3,672	\$ 3,662	\$ 2,809	\$ 3,190	\$ 2,801	\$ 2,784	\$ 2,509
	SRP	\$ 1,452	\$ 343	\$ 430	\$ 485	\$ 1,469	\$ 362	\$ 448	\$ 458
	SUN	\$ 1,449	\$ 1,958	\$ 1,749	\$ 2,103	\$ 1,576	\$ 1,829	\$ 1,972	\$ 1,999
	ZIA	\$ 1,298	\$ 1,340	\$ 1,790	\$ 1,675	\$ 1,323	\$ 1,537	\$ 1,782	\$ 1,596
Arizona	TUP	\$ 2,651	\$ 2,769	\$ 2,895	\$ 3,281	\$ 2,574	\$ 2,694	\$ 2,320	\$ 3,676
California	LA	\$ 5,335	\$ 5,020	\$ 4,941	\$ 4,692	\$ 4,758	\$ 4,945	\$ 4,536	\$ 5,008
Colorado	ARP	\$ 900	\$ 1,195	\$ 1,026	\$ 283	\$ 1,225	\$ 1,577	\$ 1,493	\$ 383
Iowa	PRM	\$ 1,394	\$ 1,425	\$ 1,608	\$ 1,682	\$ 1,464	\$ 1,544	\$ 1,815	\$ 2,054
Indiana	IND	\$ 3,418	\$ 3,135	\$ 3,694	\$ 3,632	\$ 3,415	\$ 3,037	\$ 3,448	\$ 3,904
Louisiana	DED	\$ 2,102	\$ 2,195	\$ 2,230	\$ 2,632	\$ 2,008	\$ 2,458	\$ 2,444	\$ 2,711
	EVD	\$ 2,697	\$ 2,090	\$ 2,189	\$ 2,196	\$ 2,667	\$ 2,094	\$ 2,220	\$ 2,301
	FG	n/a	n/a	n/a	\$ 1,356	n/a	n/a	n/a	\$ 1,233
	LAD	\$ 1,701	\$ 2,173	\$ 1,689	\$ 1,839	\$ 1,683	\$ 2,069	\$ 1,610	\$ 1,685
Minnesota	CBY	\$ 2,924	\$ 3,417	\$ 3,007	\$ 4,469	\$ 3,241	\$ 3,822	\$ 3,310	\$ 4,864
Oklahoma	FMT	\$ 1,035	\$ 1,143	\$ 731	\$ 764	\$ 890	\$ 1,002	\$ 705	\$ 693
	RP	\$ 3,011	\$ 2,715	\$ 2,506	\$ 2,670	\$ 3,102	\$ 2,757	\$ 2,766	\$ 2,960
	WRD	\$ 763	\$ 849	\$ 785	\$ 716	\$ 743	\$ 773	\$ 886	\$ 702
Texas	Hou	\$ 2,576	\$ 2,443	\$ 1,927	\$ 2,138	\$ 2,322	\$ 2,423	\$ 1,766	\$ 2,002
	LS	\$ 2,805	\$ 2,414	\$ 2,247	\$ 2,069	\$ 2,619	\$ 2,229	\$ 1,854	\$ 1,788
	RET	n/a	\$ 1,746	\$ 1,775	\$ 2,201	n/a	\$ 2,111	\$ 2,062	\$ 2,826
Wyoming	EDR	\$ 185	\$ 179	\$ 146	\$ 169	\$ 167	\$ 153	\$ 117	\$ 157
	SWF	\$ 192	\$ 119	\$ 146	\$ 118	\$ 185	\$ 109	\$ 130	\$ 148
	WYO	\$ 604	\$ 705	\$ 687	\$ 691	\$ 566	\$ 602	\$ 572	\$ 578

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

Note: Colorado, Fair Meadows, SunRay Park and Texas and Wyoming tracks are currently not exporting their live races.

Looking at handle per starter regionally New Mexico Quarter Horse handle per starter is somewhat comparable to the Louisiana tracks but is less than many of the other tracks that export the races. Arizona, Los Alamitos, Horseshoe Indiana, Canterbury Park, Remington Park all have better per starter handle than New Mexico races.

If we compare New Mexico Thoroughbred races to New Mexico Quarter horse races on an average handle per starter the difference is very significant. On a per star basis the Thoroughbred starter handle is about 20 percent higher comparing open races and 40-60 percent higher comparing New Mexico bred Thoroughbred races handle per starter compared to the New Mexico Quarter Horses. This difference is not seen when comparing race handle since the Quarter Horse races have much better average field size.

What this does indicate is that there is an opportunity to increase handle in a meaningful way if Thoroughbred average field size were to approach that of the Quarter Horse races.

Figure 47 Thoroughbred Average Earnings per Open and State-Bred Race

Thoroughbred Data									
		Unrestricted Race Mean Earnings Per Race				State-Bred Race Mean Earnings Per Race			
State	Track	2021	2022	2023	2024	2021	2022	2023	2024
New Mexico Statewide		\$ 21,510	\$ 25,558	\$ 29,789	\$ 27,584	\$ 28,433	\$ 32,868	\$ 39,898	\$ 39,321
New Mexico	ALB	\$ 26,090	\$ 23,150	\$ 24,530	\$ 20,395	\$ 35,538	\$ 35,765	\$ 39,514	\$ 31,328
	RUI	\$ 13,362	\$ 17,715	\$ 21,146	\$ 16,829	\$ 19,077	\$ 19,110	\$ 28,726	\$ 25,219
	SRP	\$ 23,983	\$ 30,057	\$ 19,618	\$ 16,437	\$ 24,704	\$ 36,261	\$ 30,150	\$ 24,748
	SUN	\$ 19,992	\$ 29,004	\$ 33,463	\$ 28,780	\$ 24,233	\$ 31,055	\$ 38,559	\$ 38,206
	ZIA	\$ 22,573	\$ 25,387	\$ 46,130	\$ 48,483	\$ 33,362	\$ 37,472	\$ 63,100	\$ 59,673
Arizona	TUP	\$ 14,061	\$ 18,456	\$ 17,041	\$ 21,263	\$ 29,410	\$ 38,156	\$ 49,934	\$ 33,948
California	LA	\$ 8,749	\$ 8,979	\$ 9,486	\$ 9,141	n/a	n/a	n/a	n/a
Colorado	ARP	\$ 12,903	\$ 11,134	\$ 8,959	\$ 14,772	\$ 23,626	\$ 19,337	\$ 19,741	\$ 30,561
Iowa	PRM	\$ 22,457	\$ 24,971	\$ 26,551	\$ 26,977	\$ 31,831	\$ 34,580	\$ 35,764	\$ 36,728
Indiana	IND	\$ 28,260	\$ 30,585	\$ 29,836	\$ 29,561	\$ 34,470	\$ 37,038	\$ 36,839	\$ 36,607
Louisiana	DED	\$ 22,040	\$ 22,481	\$ 23,121	\$ 22,039	\$ 29,218	\$ 32,552	\$ 32,820	\$ 33,780
	EVD	\$ 16,472	\$ 16,313	\$ 19,871	\$ 19,511	\$ 19,759	\$ 19,038	\$ 27,964	\$ 27,200
	FG	\$ 43,744	\$ 45,008	\$ 49,228	\$ 49,832	\$ 37,155	\$ 36,379	\$ 38,986	\$ 44,168
	LAD	\$ 12,792	\$ 13,879	\$ 17,862	\$ 13,636	\$ 17,500	\$ 18,454	\$ 22,428	\$ 18,752
Minnesota	CBY	\$ 22,628	\$ 23,331	\$ 20,918	\$ 22,182	\$ 31,498	\$ 32,590	\$ 32,228	\$ 35,106
Oklahoma	FMT	\$ 9,543	\$ 9,611	\$ 11,047	\$ 10,579	\$ 16,399	\$ 16,165	\$ 17,412	\$ 18,191
	RP	\$ 27,989	\$ 26,808	\$ 27,032	\$ 27,248	\$ 32,989	\$ 35,282	\$ 29,939	\$ 28,775
	WRD	\$ 13,406	\$ 15,373	\$ 16,992	\$ 15,787	\$ 17,893	\$ 19,004	\$ 23,955	\$ 21,136
Texas	Hou	\$ 29,421	\$ 25,744	\$ 25,207	\$ 25,495	\$ 37,296	\$ 33,534	\$ 35,868	\$ 35,305
	LS	\$ 30,189	\$ 31,873	\$ 31,000	\$ 31,650	\$ 29,679	\$ 29,157	\$ 30,003	\$ 35,208
	RET	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Wyoming	EDR	\$ 6,750	\$ 7,266	\$ 7,960	\$ 12,905	\$ 6,150	\$ 5,300	n/a	\$ 16,750
	SWF	\$ 7,800	\$ 8,784	\$ 8,696	\$ 9,860	n/a	n/a	\$ 7,500	\$ 26,600
	WYO	\$ 7,007	\$ 7,485	\$ 9,069	\$ 13,142	n/a	n/a	n/a	n/a

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks.

Note: The Arizona State-Bred Earnings are skewed by the fact that all State-bred races were stake races.

As we saw in the regional benchmarking section of this study, the New Mexico average earning per race is very competitive and near or at the top in most categories in the table above.

More interesting is how strong the New Mexico state-bred races are compared to the open races statewide in New Mexico. Statewide the average Thoroughbred New Mexico bred race average earnings are 30 to 40 percent higher than the open race averages.

Figure 48 Thoroughbred Average Earnings per Start for Open and State-Bred Races

Thoroughbred Data									
		Unrestricted Races Earnings Per Start				State-Bred Races Earnings Per Start			
State	Track	2021	2022	2023	2024	2021	2022	2023	2024
New Mexico Statewide		\$ 2,848	\$ 3,356	\$ 3,553	\$ 3,719	\$ 3,630	\$ 4,219	\$ 4,867	\$ 5,119
New Mexico	ALB	\$ 3,403	\$ 2,824	\$ 2,761	\$ 2,813	\$ 4,482	\$ 4,329	\$ 4,660	\$ 4,088
	RUI	\$ 1,842	\$ 2,674	\$ 2,693	\$ 2,475	\$ 2,470	\$ 2,771	\$ 3,776	\$ 3,531
	SRP	\$ 3,162	\$ 3,428	\$ 2,422	\$ 2,152	\$ 3,345	\$ 4,333	\$ 3,605	\$ 3,576
	SUN	\$ 3,998	\$ 4,093	\$ 4,242	\$ 3,913	\$ 2,693	\$ 3,977	\$ 4,735	\$ 4,896
	ZIA	\$ 2,945	\$ 3,444	\$ 5,119	\$ 6,320	\$ 4,158	\$ 4,948	\$ 7,198	\$ 7,535
Arizona	TUP	\$ 1,829	\$ 2,434	\$ 2,421	\$ 2,845	\$ 4,696	\$ 5,355	\$ 9,562	\$ 5,549
California	LA	\$ 1,456	\$ 1,552	\$ 1,497	\$ 1,468	n/a	n/a	n/a	n/a
Colorado	ARP	\$ 1,836	\$ 1,755	\$ 1,384	\$ 2,327	\$ 3,424	\$ 3,431	\$ 3,626	\$ 5,915
Iowa	PRM	\$ 3,579	\$ 3,950	\$ 4,356	\$ 4,376	\$ 4,709	\$ 4,987	\$ 5,374	\$ 5,695
Indiana	IND	\$ 4,205	\$ 4,132	\$ 3,863	\$ 3,824	\$ 4,654	\$ 4,463	\$ 4,449	\$ 4,610
Louisiana	DED	\$ 2,628	\$ 2,767	\$ 2,838	\$ 2,685	\$ 3,551	\$ 4,127	\$ 3,979	\$ 4,071
	EVD	\$ 2,354	\$ 2,438	\$ 2,459	\$ 2,542	\$ 2,712	\$ 2,641	\$ 3,474	\$ 3,364
	FG	\$ 5,631	\$ 6,171	\$ 6,550	\$ 6,117	\$ 4,401	\$ 4,547	\$ 4,818	\$ 5,192
	LAD	\$ 1,915	\$ 1,999	\$ 2,140	\$ 1,826	\$ 2,632	\$ 2,739	\$ 2,948	\$ 2,717
Minnesota	CBY	\$ 3,149	\$ 3,182	\$ 3,240	\$ 2,978	\$ 4,168	\$ 4,501	\$ 4,927	\$ 4,827
Oklahoma	FMT	\$ 1,566	\$ 1,688	\$ 1,956	\$ 1,855	\$ 2,643	\$ 2,722	\$ 2,843	\$ 2,964
	RP	\$ 3,450	\$ 3,344	\$ 3,467	\$ 3,742	\$ 3,798	\$ 4,329	\$ 3,706	\$ 3,909
	WRD	\$ 2,054	\$ 2,463	\$ 2,626	\$ 2,494	\$ 2,570	\$ 2,757	\$ 3,298	\$ 2,925
Texas	Hou	\$ 3,661	\$ 3,408	\$ 3,225	\$ 3,155	\$ 4,625	\$ 4,167	\$ 4,439	\$ 4,363
	LS	\$ 4,036	\$ 4,145	\$ 3,888	\$ 3,952	\$ 4,177	\$ 3,715	\$ 3,882	\$ 4,110
	RET	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Wyoming	EDR	\$ 1,147	\$ 1,378	\$ 1,225	\$ 1,753	\$ 1,025	\$ 1,060	n/a	\$ 2,792
	SWF	\$ 1,382	1314.0	\$ 1,242	\$ 1,462	n/a	n/a	\$ 938	\$ 3,325
	WYO	\$ 983	\$ 1,076	\$ 1,234	\$ 1,510	n/a	n/a	n/a	n/a

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

Note: The Arizona State-Bred Earnings are skewed by the fact that all State-bred races were stake races

For the Thoroughbred races in New Mexico the average earnings per start is similar to what is observed based on the average earnings per race. Again the New Mexico earnings/purse compare very favorably regionally, and the state-bred starters earn 26-38% percent more compared to the open races in New Mexico.

Figure 49 Quarter Horse Average Earnings per Open and State-Bred Race

Quarter Horse Data									
		Unrestricted Race Mean Earnings Per Race				State-Bred Race Mean Earnings Per Race			
State	Track	2021	2022	2023	2024	2021	2022	2023	2024
New Mexico Statewide		\$ 37,767	\$ 33,435	\$ 40,316	\$ 39,330	\$ 30,485	\$ 34,693	\$ 42,941	\$ 41,921
New Mexico	ALB	\$ 43,632	\$ 32,800	\$ 35,639	\$ 54,405	\$ 38,360	\$ 38,805	\$ 48,816	\$ 48,446
	RUI	\$ 43,355	\$ 38,697	\$ 52,227	\$ 34,529	\$ 23,393	\$ 22,813	\$ 33,260	\$ 28,116
	SRP	\$ 23,109	\$ 30,737	\$ 23,166	\$ 21,200	\$ 26,331	\$ 34,971	\$ 34,810	\$ 30,176
	SUN	\$ 23,492	\$ 28,099	\$ 25,718	\$ 27,590	\$ 14,700	\$ 37,766	\$ 40,134	\$ 37,401
	ZIA	\$ 27,290	\$ 29,107	\$ 45,166	\$ 45,978	\$ 36,834	\$ 42,577	\$ 58,280	\$ 58,484
Arizona	TUP	\$ 13,154	\$ 20,013	\$ 12,423	\$ 21,339	\$ 23,233	\$ 25,370	\$ 19,050	\$ 19,981
California	LA	\$ 24,104	\$ 27,655	\$ 28,370	\$ 27,834	\$ 41,265	\$ 40,353	\$ 36,576	\$ 40,305
Colorado	ARP	\$ 13,459	\$ 13,817	\$ 11,340	\$ 14,546	\$ 17,714	\$ 19,179	\$ 16,048	\$ 26,792
Iowa	PRM	\$ 15,840	\$ 18,088	\$ 17,800	\$ 19,026	\$ 22,202	\$ 23,963	\$ 26,415	\$ 26,665
Indiana	IND	\$ 25,340	\$ 32,997	\$ 27,098	\$ 26,876	\$ 26,806	\$ 26,082	\$ 29,125	\$ 29,355
Louisiana	DED	\$ 19,166	\$ 19,275	\$ 19,539	\$ 18,464	\$ 24,783	\$ 25,322	\$ 26,359	\$ 25,246
	EVD	\$ 12,965	\$ 15,343	\$ 13,825	\$ 15,282	\$ 20,963	\$ 24,361	\$ 24,322	\$ 24,896
	FG	n/a	n/a	n/a	\$ 20,508	n/a	n/a	n/a	\$ 30,805
	LAD	\$ 9,962	\$ 9,857	\$ 9,763	\$ 12,911	\$ 12,651	\$ 12,619	\$ 13,175	\$ 16,511
Minnesota	CBY	\$ 21,339	\$ 21,827	\$ 23,077	\$ 19,074	\$ 24,948	\$ 24,496	\$ 21,435	\$ 21,948
Oklahoma	FMT	\$ 11,295	\$ 11,896	\$ 13,546	\$ 14,805	\$ 10,186	\$ 11,021	\$ 13,758	\$ 13,656
	RP	\$ 28,269	\$ 29,868	\$ 29,366	\$ 29,281	\$ 39,549	\$ 40,653	\$ 40,551	\$ 37,928
	WRD	\$ 15,644	\$ 18,495	\$ 20,214	\$ 21,135	\$ 16,754	\$ 18,251	\$ 16,389	\$ 19,087
Texas	Hou	\$ 24,636	\$ 23,506	\$ 20,099	\$ 20,636	\$ 33,416	\$ 27,908	\$ 25,239	\$ 24,077
	LS	\$ 22,388	\$ 23,631	\$ 25,680	\$ 22,144	\$ 18,728	\$ 20,920	\$ 21,970	\$ 20,861
	RET	n/a	\$ 16,045	\$ 21,304	\$ 18,483	n/a	\$ 31,962	\$ 21,245	\$ 37,798
Wyoming	EDR	\$ 7,145	\$ 7,924	\$ 10,182	\$ 14,382	\$ 6,567	\$ 10,397	\$ 10,623	\$ 12,333
	SWF	\$ 8,871	\$ 9,564	\$ 11,722	\$ 10,431	\$ 8,393	\$ 11,144	\$ 11,583	\$ 12,977
	WYO	\$ 7,512	\$ 8,915	\$ 11,492	\$ 16,115	\$ 7,240	\$ 6,927	\$ 9,545	\$ 14,717

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

Note: The Arizona State-Bred Earnings are skewed by the fact that almost all State-bred races were stake races

Note: Ruidoso's large futurities (All American particularly) and derbies skew the average earnings comparisons.

The Quarter Horse data is more difficult to compare due to the large influence on total purses since the futurities and derbies are included in averages.

Ruidoso in particular makes comparisons the most difficult due to the All-American Futurity and other very large purse races for Quarter Horses. That is clear when you look at open, unrestricted race earnings for Ruidoso compared to all other tracks. Also as noted in 2024 much of the Ruidoso race meet was run at Albuquerque so some of those races significantly skew the Albuquerque data that year.

Even after adjusting for Ruidoso, the New Mexico earnings/purses per race are competitive when benchmarking regionally.

For the comparison of New Mexico bred Quarter Horse earnings compared to the open unrestricted New Mexico Quarter Horse races we need to look at that on a track-by-track basis. If we look at the statewide New Mexico averages the state-bred and open races are very close to equal but that is miss

leading. Once you look at each New Mexico track individually you can see the New Mexico bred race average earnings per race in most cases are quite higher. It is Ruidoso and the 2024 Albuquerque data that are skewed due to the influence of the large purse open futurities and derbies.

Figure 50 Quarter Horse Average Earnings per Start for Open and State-Bred Races

Quarter Horse Data									
		Unrestricted Races Earnings Per Start				State-Bred Races Earnings Per Start			
State	Track	2021	2022	2023	2024	2021	2022	2023	2024
New Mexico Statewide		\$ 4,367	\$ 3,823	\$ 4,490	\$ 4,452	\$ 3,501	\$ 3,886	\$ 4,647	\$ 4,648
New Mexico	ALB	\$ 5,187	\$ 3,769	\$ 4,040	\$ 6,317	\$ 4,477	\$ 4,298	\$ 5,230	\$ 5,439
	RUI	\$ 4,928	\$ 4,475	\$ 5,748	\$ 3,883	\$ 2,679	\$ 2,679	\$ 3,627	\$ 3,056
	SRP	\$ 2,958	\$ 3,387	\$ 2,669	\$ 2,359	\$ 3,098	\$ 3,868	\$ 3,681	\$ 3,248
	SUN	\$ 2,540	\$ 3,254	\$ 2,855	\$ 3,068	\$ 2,100	\$ 4,135	\$ 4,359	\$ 4,191
	ZIA	\$ 3,072	\$ 3,234	\$ 5,012	\$ 5,172	\$ 4,146	\$ 4,685	\$ 6,358	\$ 6,477
Arizona	TUP	\$ 1,521	\$ 2,269	\$ 1,449	\$ 2,507	\$ 2,788	\$ 2,819	\$ 2,241	\$ 2,831
California	LA	\$ 3,640	\$ 4,145	\$ 4,174	\$ 4,042	\$ 5,614	\$ 5,516	\$ 5,526	\$ 5,758
Colorado	ARP	\$ 1,868	\$ 1,766	\$ 1,572	\$ 2,163	\$ 2,611	\$ 2,230	\$ 2,360	\$ 4,006
Iowa	PRM	\$ 2,278	\$ 2,726	\$ 2,576	\$ 2,766	\$ 3,097	\$ 3,682	\$ 3,631	\$ 3,537
Indiana	IND	\$ 2,926	\$ 3,695	\$ 3,001	\$ 3,025	\$ 3,098	\$ 2,865	\$ 3,236	\$ 3,311
Louisiana	DED	\$ 2,340	\$ 2,336	\$ 2,299	\$ 2,195	\$ 2,827	\$ 2,990	\$ 3,079	\$ 2,937
	EVD	\$ 1,800	\$ 1,960	\$ 1,719	\$ 1,935	\$ 2,713	\$ 3,067	\$ 3,053	\$ 3,257
	FG	n/a	n/a	n/a	\$ 2,460	n/a	n/a	n/a	\$ 3,669
	LAD	\$ 1,382	\$ 1,543	\$ 1,398	\$ 1,640	\$ 1,616	\$ 1,806	\$ 1,842	\$ 2,085
Minnesota	CBY	\$ 2,997	\$ 3,140	\$ 3,193	\$ 2,886	\$ 3,378	\$ 3,467	\$ 3,225	\$ 3,135
Oklahoma	FMT	\$ 1,570	\$ 1,682	\$ 1,873	\$ 1,801	\$ 1,484	\$ 1,618	\$ 1,775	\$ 1,747
	RP	\$ 3,164	\$ 3,275	\$ 3,350	\$ 3,401	\$ 4,484	\$ 4,631	\$ 4,799	\$ 4,475
	WRD	\$ 1,916	\$ 2,245	\$ 2,387	\$ 2,598	\$ 1,989	\$ 2,310	\$ 2,020	\$ 2,375
Texas	Hou	\$ 2,746	\$ 2,647	\$ 2,307	\$ 2,439	\$ 3,864	\$ 3,210	\$ 2,847	\$ 2,878
	LS	\$ 2,369	\$ 2,703	\$ 2,878	\$ 2,441	\$ 1,955	\$ 2,441	\$ 2,589	\$ 2,332
	RET	n/a	\$ 1,864	\$ 2,548	\$ 2,120	n/a	\$ 3,738	\$ 2,492	\$ 4,406
Wyoming	EDR	\$ 1,082	\$ 1,331	\$ 1,348	\$ 1,747	\$ 963	\$ 1,542	\$ 1,317	\$ 1,488
	SWF	\$ 1,213	\$ 1,227	\$ 1,424	\$ 1,232	\$ 1,093	\$ 1,355	\$ 1,393	\$ 1,520
	WYO	\$ 849	\$ 1,050	\$ 1,340	\$ 1,805	\$ 812	\$ 811	\$ 1,082	\$ 1,600

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

Note: The Arizona State-Bred Earnings are skewed by the fact that almost all State-bred races were stake races

Note: Ruidoso's large futurities (All American particularly) and derbies skew the average earnings comparisons.

Like we observed in the table above of average race earnings per race regionally New Mexico is competitive.

The average field size for both the open and state-bred New Mexico races are near identical. Thus, in this table the comparison of those races is the same as discussed above when looking at average earnings per race is higher for state-breds but must be examined on a track-by-track basis and understand that Ruidoso must adjust for the large open purse races.

Figure 51 2024 Summary of New Mexico Entries in Races with other top state-breds and New Mexico Percentages

2024 Entries in NM Races Sorted by State of Foal Area										
		NM Bred	CA Bred	KY Bred	OK Bred	TX Bred	Total of All Entries		NM Bred as Pct. of All Entries	Total of All Entries
ALB 2024	TB	1083	221	274	33	11	1,754		61.7%	5,054
	QH	1633	210	4	575	533	3,297		49.5%	
RUI 2024	TB	210	22	36	8	3	295		71.2%	2,757
	QH	1016	188	5	500	496	2,461		41.3%	
SRP 2024	TB	434	117	156	27	7	838		51.8%	2,072
	QH	708	73	0	156	127	1,232		57.5%	
SUN 2024	TB	1352	180	399	35	30	2,162		62.5%	4,700
	QH	1516	117	4	345	320	2,536		59.8%	
ZIA 2024	TB	797	105	294	22	22	1,315		60.6%	3,002
	QH	939	77	2	241	276	1,684		55.8%	
Statewide 2024	TB	3876	645	1159	125	73	6,364		60.9%	17,585
	QH	5812	665	15	1817	1752	11,210		51.8%	

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: States used had 100 or more entries by state-bred per year

Note: 8 Paint Horses entered in 2024 but are not included in the data above

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

The above data was calculated and analyzed for all four years 2021-2024 but to avoid redundancy we did not include all four years in the text of this study (the other three years 2021, 2022, and 2023 are in the Appendix #2 –Benchmarking Tables Not Included in the Main Body of the Study). We did calculate the totals for all four years below.

What the data shows is to what extent New Mexico relies on the New Mexico bred horses to fill races and to sustain the industry in the state. For the years 2021 to 2023 the overall percentage of New Mexico Breds as a percentage of all entries was 56-58 percent.

Figure 52 Four Year (2021-2024) Summary of New Mexico Entries in Races

Total Statewide Data of Entries for all Four Years 2021-2024				
Breed	Total Entries	Total NM Bred Entries	Pct. Of NM Bred Entries	Pct. of All Entries Statewide
TB	26,845	16,550	61.7%	39.98%
QH	40,285	21,388	53.1%	60.00%
PT	9	n/a	n/a	0.02%

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: 9 Paint Horses (PT) entered in all four years.

Note: Entries include all horses entered for races, including those scratched before the race

The Thoroughbred product relies even more on the New Mexico horses than the Quarter Horse product. The New Mexico Thoroughbred foal crop declined 75 percent since its peak in 2008. But just considering the more recent decline of 49 percent from 2016 to 2023 which comprises all the horses of racing age currently (2 yr olds to 9 yr olds), this is an alarming decline of the horses that make up almost 62 percent of all Thoroughbred entries in New Mexico.

SWOT Analysis

Strengths:

- Relationship with Legislature
- Industry standing in New Mexico- \$810M annual impact¹⁰
- Purse structure for both breeds
- Strong jockey colony with quality and numbers
- Solid Quarter Horse racing industry, with almost 10,000 starts it leads in opportunities regionally
- Five racetracks to support live racing compared to several other states with less
- Lights at the Downs at Albuquerque grandstand design for “happy hour” atmosphere
- Climate (environmental) for racing at most times of the year
- The State is ranked 14th in cost of living by U.S. News and World Report¹¹

Weaknesses:

- Breeding numbers have declined, particularly on the Thoroughbred side
- Actual or perceived lack of opportunities for non state-bred horses making racing unattractive
- Relationships amongst certain stakeholders and industry stakeholders “disputes”
- Some shorter race meets have difficulty in attracting racing officials and qualified staff
- Smaller market race meets have difficulty with housing for seasonal staff, horse caretakers and barn staff
- Tribal Compacts may limit revenue expansion opportunities such as Advanced Deposit Wagering or Historical Horse Racing
- Relatively good/modern infrastructure at racetracks but some need repair/refurbishment

¹⁰ “As race days decline, tracks bet big on casinos,” by Noah Raess and Joshua Bowling, September 11, 2024 <https://searchlightnm.org/as-race-days-decline-tracks-bet-big-on-casinos/>. (Accessed April 19, 2025.)

¹¹ “Cost of Living,” U.S. News and World Report, <https://www.usnews.com/news/best-states/rankings/opportunity/affordability/cost-living>. (Accessed April 19, 2025.)

Opportunities:

- Utilize the racetracks more efficiently with separate circuits for breeds
- Positive relationship with Legislators can help in passing useful legislation for the industry, especially if the industry can align itself as a united front
- Encourage the tracks in major markets and with higher Gross Gaming Revenue to create signature events that have national appeal
- Work with surrounding states to pool horses and have innovative breeding rules to develop the region and supply of horses leading to potential growth in racing opportunities
- Proximity to other racing jurisdictions with similar caliber of racing can provide additional opportunities or a circuit
- Possible reallocating resources to support change and goals for long term change
- Purses are a strength but looking at how to maximize use of resources may be an opportunity

Threats:

- Disagreement amongst stakeholders does affect standing and political capital with the Legislature
- Breeding numbers continue to decline causing the horse population to not be able to support racing
- Growth is stymied by the first two points and contributes to further declines as inflation eats up any previous profitability
- Estimated \$250M in wagering through grey market ADW platforms since 2000¹²
- Negative press regarding equine health and safety and drug use/doping and public policy concerns
- Competition from neighboring jurisdictions
- Potential expansion in other markets including Nebraska, Wyoming and a Quarter Horse meet in Kansas
- Any competing state getting more funding such as expansion of gaming in Texas

¹²"New Mexico Horse Racing Industry, Digitize the Pari-mutuel Domain with Advance Deposit Wagering," <https://static1.squarespace.com/static/5de800a137443f1585f73109/t/601dbc96c6429e2b6f9e98c8/1612561560647/HB+199+and+SB+153+Summary+Sheet+2%3A5%3A2021.pdf>. (Accessed April 17, 2025.)

Situational Analysis

Over the past several decades the trends and challenges facing the horse racing and breeding industry have been well documented. The importance of understanding these historical occurrences is vital when looking for strategies to improve and grow the business which has faced significant declines in both racing and breeding over that period.

Over the past 50 years the national economic trends affecting the horse racing and breeding industry include political, economic, competitive, social, and technological changes.

Breeding

Figure 53 U.S. Foals - Thoroughbred Foal Crop and Quarter Horse Registrations

U.S. Thoroughbred Foal Crop and Quarter Horse Foal Registrations		
Year	TB Foal Crop	QH Registrations
2007	34,358	117,830
2008	32,332	115,979
2009	29,612	93,835
2010	25,955	83,736
2011	22,655	75,225
2012	21,470	68,902
2013	21,431	60,867
2014	21,427	68,240
2015	21,528	61,282
2016	21,119	63,497
2017	20,672	60,893
2018	19,770	57,753
2019	19,138	57,245
2020	18,513	67,653
2021	17,851	61,623
2022	17,146	74,728
2023	17,200	70,526
2024	16,675	74,820

Sources: The 2025 Jockey Club Fact Book and the AQHA Annual Reports, <https://www.aqha.com/aqha-annual-reports>

Note: Thoroughbred foal crops for 2023 – 2024 are estimates

The U.S. Thoroughbred foal crop is down over 51 percent since 2007. The Quarter Horse foal registrations are down over 36 percent over the same period; however, many Quarter Horse foals are used for many purposes besides horse racing so that number is not necessarily indicative of the racing side of the business thus RGE also looked at the number of races and starters for Quarter Horses over the same period to compare trends.

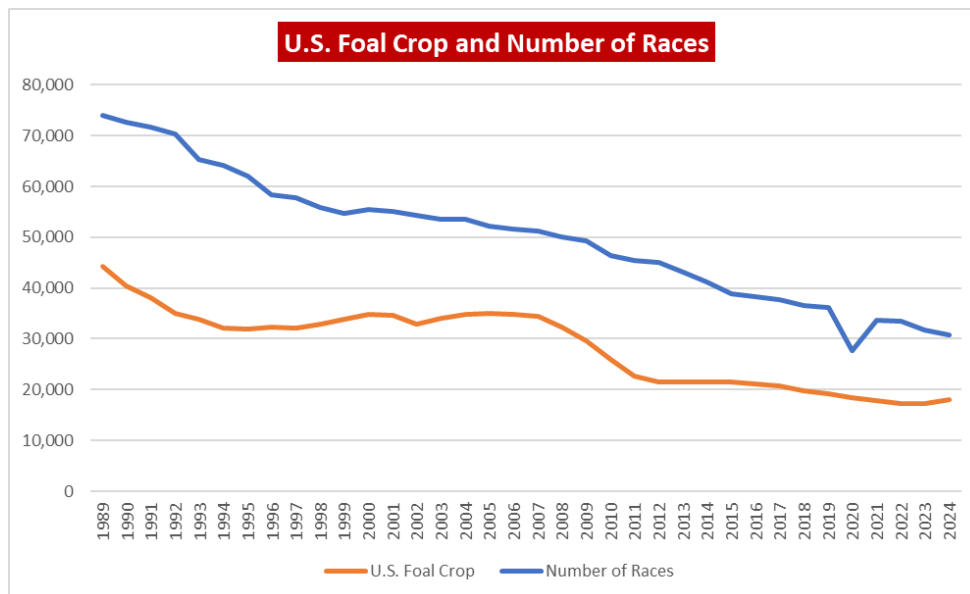
Figure 54 AQHA Statistics - Quarter Horse Races and Starters

AQHA Racing Statistics		
Year	Races	Starters
2007	9,274	16,607
2008	9,152	16,911
2009	9,113	17,180
2010	8,788	17,069
2011	8,450	16,724
2012	8,657	16,355
2013	8,328	15,761
2014	7,960	15,636
2015	7,905	15,333
2016	7,730	14,786
2017	7,332	13,764
2018	6,988	12,593
2019	6,455	12,985
2020	5,330	11,337
2021	6,167	11,444
2022	6,626	11,826
2023	6,405	11,540
2024	6,411	10,866

Source: AQHA Annual Reports, <https://www.aqha.com/aqha-annual-reports>

The decline in the Quarter Horse races is 31 percent and decline in starters is 35 percent since 2007 so very similar to the decline in the Quarter Horse registrations during that time.

Figure 55 U.S. Thoroughbred Foal Crop and Number of Races



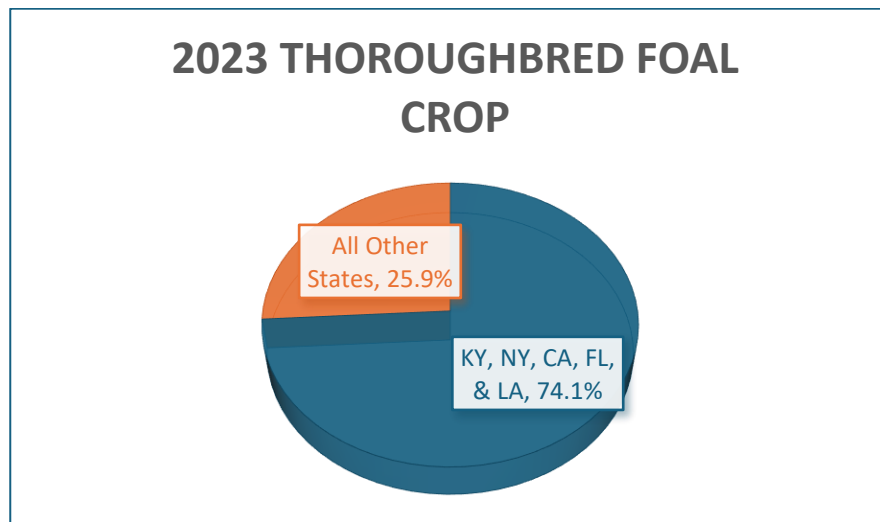
Sources: The 2025 Jockey Club Fact Book

Note: Thoroughbred foal crops for 2023 – 2024 are estimates

The decline for Thoroughbred races since 2007 is 40 percent slightly less than the decline in the foal crop.

Besides the declining foal crops the market share of Thoroughbred foals produced is more consolidated regionally.

Figure 56 Thoroughbred Foal Crop, Top Five States and Others



Source: 2025 Jockey Club Foal Book

The Thoroughbred foal crop market share is concentrated in five states. Kentucky is 47.6 percent of the market, both California and New York over 7 percent, Florida almost 7 percent and Louisiana 4.6 percent. Those five states are 74.1 percent of the entire national Thoroughbred foal crop. All other states have much smaller foal crops and compete for horses to fill races in their states.

The Quarter Horse registrations for 2024 are not as concentrated. Texas was 21.2 percent of registrations in 2024 followed by Oklahoma at 7.4 percent. Eleven states range from 4.1 percent to 2.7 percent of total registrations and another eleven states range from 2.2 to 1.3 percent of total 2024 registrations.

RGE analyzed the percentage of entries in several other states based on the age of the horses participating. In all cases a very significant percentage of all racing entries were composed of 2-, 3-, 4-, and 5-year-old horses. While the percentage may vary slightly due to time of year and racing jurisdiction in almost all cases the percentage was 80 percent or higher.

In New York when RGE worked with Spectrum Gaming on the “Gaming Market Study: State of New York” prepared for the New York State Gaming Commission in 2021 it was found that over the prior ten years horses aged 2,3,4, or 5 years-old comprised 89.4 percent of all horses that ran at the NYRA tracks.¹³

¹³ “Gaming Market Study: State of New York,” prepared for the New York State Gaming Commission, January 2021, Spectrum Gaming Group <https://spectrumgaming.com/reports/> (Accessed May 23, 2025.)

When RGE conducted a study for the Iowa Racing and Gaming Commission at Prairie Meadows in 2022 and 2023, 84 percent of all entries were 2,3,4 or 5 years-old and if you included 6-year-olds it rose to 93 percent.¹⁴

Likewise, when RGE worked with Spectrum Gaming Group on the “Wyoming Gaming Expansion Study” for the Wyoming Gaming Commission we found that for the three tracks in Wyoming 81-85 percent of all entries were 2,3,4 or 5 years-old and if you included 6-year-olds it rose to 88-92 percent.¹⁵

Racing

Pari-mutuel handle is a good benchmark of consumer interest and should be one of many metrics that are measured in any strategy moving forward but just as important is understanding what has happened and impacted that market over the past several decades. Many jurisdictions that adopted gaming at the racetracks saw where stakeholders moved away from focusing on the wagering product as most purse money and profits came from gaming. This raises a question and potential threat. If a jurisdiction no longer cares about the product do public policy makers need to reevaluate support of that industry?

Thoroughbred handle is about 86.5% of the market share, we will provide a brief look at the pari-mutuel wagering trends reported by the Jockey Club Fact Book 2025 as that data is most readily available. The Quarter Horse and Standardbred pari-mutuel wagering handle is about 3 percent and 10 percent of totals respectively.

A few trends that would impact racing for a long time started in the 1980s. Racing lobbied legislators for tax relief, the industry experimented with ways to expand market penetration and faced the beginning of a trend of growing competition. Racing experimented with market penetration with distribution via intertrack wagering, interstate wagering, and off-track betting (OTBs). The first version of account wagering or ADW (advance deposit wagering) took place in the decade with telephone operators taking wagering in a few jurisdictions. The passage of the Indian Gaming Regulatory Act (IGRA) in 1988 influenced the gaming competitive landscape and growth of competition for decades. Note in 2025, New Mexico has neither Off-track betting (OTB) nor legal Advance Deposit Wagering (ADW).

One of the more significant changes in the competitive market of horse racing began in the 1990s. If you only look at the horse wagering handle metric (total handle) it is deceiving. The growth of distribution during this time until 2003 had a significant impact over the next 30 years on brick and mortar wagering facilities such as racetracks and OTBs. Handle peaked in 2003 in the U.S. at just over \$15 billion.

During this decade full card simulcasting, greater product distribution, and commingling of pools proliferated, account wagering began to expand and both casinos and racinos were legalized in many jurisdictions. The rapid expansion of gaming during this decade had a significant negative impact on the horse racing competitive environment, but due to the large increase in distribution channels, the impact based on handle was not apparent.

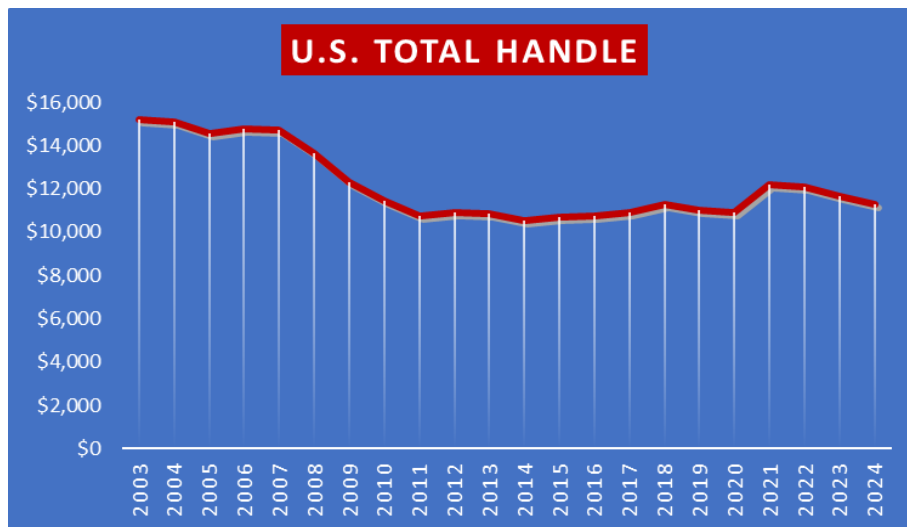
¹⁴ “Horse Racing Study,” Prepared for the Iowa Racing and Gaming Commission, August 12, 2024, by Racing, Gaming & Entertainment LLC, Page 52, <https://irgc.iowa.gov/media/339/download?inline=> (Accessed May 5, 2025.)

¹⁵ “Wyoming Gaming Expansion Study,” prepared for the Wyoming Gaming Commission, November 15, 2024, Spectrum Gaming Group <https://spectrumgaming.com/reports/> (Accessed May 5, 2025.)

Because of the expanded distribution and commingling, pari-mutuel handle grew (U. S. Thoroughbred handle increased 52.6 percent from 1990 to 2000¹⁶) but profit margins on significant portions of that handle were considerably less and the growth was exclusively from increased distribution from simulcasting. Besides lower margins, the expenses of distribution and third-party technology companies increased costs for racetracks. By the mid-90s horse and greyhound simulcast wagering used more satellite time than major league sports. The large growth of distribution channels was the major reason for pari-mutuel handle growth in the 1990s.

After the pari-mutuel handle peaked in 2003 it declined to \$10.5 billion in 2014 before rebounding to \$12.2 billion in 2021 with the largest one-year gain of 11.8 percent from 2020 to 2021. A good portion of the 2021 gain was the post Covid-19 effect of a great increase in account wagering due to closures for live spectators and the fact that many other sports options to wager on were negatively impacted by Covid-19.¹⁷ Handle for 2024 as reported by Equibase was \$11.26 billion, a decrease of 7.7 percent since 2021 or down 25.8 percent since the peak in 2003.

Figure 57 U.S. Total Pari-Mutuel Handle



Source: 2025 Jockey Club Fact Book

Note: Dollars in millions, Covid-19 closed several racetracks in 2020

Also, during the expansion of distribution channels and growth and contraction of pari-mutuel handle more states approved advance deposit wagering (ADW) also known as internet account wagering after a 2000 amendment to the Interstate Horse Racing Act of 1978 was passed.

¹⁶ "The 2025 Fact Book," The Jockey Club, <https://www.jockeyclub.com/default.asp?section=FB&area=8> (Accessed April 30, 2025.)

¹⁷ "The 2025 Fact Book," The Jockey Club, <https://www.jockeyclub.com/default.asp?section=FB&area=8> (Accessed April 30, 2025.)

Account wagering expansion and the practice of rebating patrons that wagered large amounts started in the 1990s. It rapidly accelerated in the 2000s.

The Oregon Hub where many large ADW providers process pari-mutuel wagers in Oregon, due to favorable tax rates, saw wagering handle for multi-jurisdictional simulcast wagering licensees grow from \$19 million in 2000 to \$6.5 billion in 2024.¹⁸

One of the more dramatic trends in pari-mutuel handle is what happened to handle from 2019 to 2020 directly due to the Covid-19 pandemic. While there was steady growth in ADW handle things changed due to the pandemic. The Oregon Hub processes a large majority of ADW pari-mutuel handle and the handle from 2019 to 2020 at the hub increased 53 percent. Currently looking at 2024 handle reported by the Jockey Club, the ADW handle from the Oregon Hub is 58 percent of that total. This is a clear indication of where wagers are placed today. Much if not all this shift in wagering is not an expansion of gaming but a shift in customers' adapting technology to place wagers and have access to greater resources to assist handicapping the race.

RGE's executives from experience with other work know that for many mid-sized tracks anywhere from 75 percent to 83+ percent of all wagers are placed via an account on the live races at those tracks. Of course, some of those customers wagering on races are watching the races live at that track but wagering with their phone or other internet device.

Customers that open accounts that were active bricks and mortar customers prior to that, no doubt modified their wagering behavior due to the convenience and variety of products available as well as the added digital technologies and data available to those customers. Covid-19, as the data shows, clearly accelerated this trend and behavior.

Figure 58 Oregon Hub Multi-Jurisdictional Wagering Hub Handle

Oregon Racing Commission Multi-Jurisdictional Wagering Handle		
Year	Total Oregon Hub Handle	Pct. Change from Prior Year
2013	\$ 2,440,867,884	n/a
2014	\$ 2,656,970,984	9%
2015	\$ 2,862,939,883	8%
2016	\$ 3,095,668,039	8%
2017	\$ 3,865,856,894	25%
2018	\$ 4,216,834,582	9%
2019	\$ 4,364,756,572	4%
2020	\$ 6,665,743,116	53%
2021	\$ 6,657,443,051	0%
2022	\$ 6,411,059,646	-4%
2023	\$ 6,636,492,617	4%
2024	\$ 6,533,045,369	-2%

Source: Oregon Racing Commission <https://www.oregon.gov/racing/Pages/Advance-Deposit-Wagering.aspx>

¹⁸ "Oregon Racing Commission Quarterly Hub Handle Report," Oregon Racing Commission, <https://www.oregon.gov/racing/Parimutuel%20Handle/MJ%20Hubs%20Stats/QT%20HND.pdf> (Accessed April 30, 2025.)

Along with the growth of ADW, the growth of computer-assisted-wagering (CAW), also referred to as computer robotic wagering (CRW), impacted wagering and the customer experience. The success of the CRW wagering systems coupled with the rebates they receive have resulted in exceptional win rates that created negative settlements for many wagering sites. When one location has more winning wagers placed than another, the losing dollars from the one site “pay” for the winning wagers elsewhere and can result in a negative settlement for the site with more losing wagers. This shifting of winning dollars to the ADWs that host the CRW wagers means those dollars will not be available to be churned in the local market, which has a net negative impact on the volume wagered at brick-and-mortar facilities.

Technological advances facilitate better video streaming of races on computers and phones. Technology also made providing critical handicapping data to patrons more user-friendly. Technological advances will continue to enhance the internet and mobile wagering experience at the expense of the on-track or OTB experience. We expect the trend of wagering to continue to move to ADW platforms and from the handle data we see it is a shift in dollars and not an expansion of gaming thus those jurisdictions that do not embrace the changes and provide customers with access to the technology they want will lose the customers and the revenue to both illegal and legal competitors.

The illegal market is very large, and the U.S. press does not address the issue often enough. The International Federation of Horse Racing Authority’s (IFHA) Council on Anti-Illegal Betting and Related Crime is a great resource that informs, seeks international cooperation and offers resources of awareness and means of combating the illegal betting markets.¹⁹

Another change with the advent of simulcast and consolidation in racing is the fact that racing’s market share of handle is dominated by large companies including Churchill Downs, the New York Racing Association (NYRA), and the Stronach Group (1/ST Racing Division). Those three entities alone account for 59 percent of Thoroughbred handle in 2023 on their live races. If you add the next five largest handling tracks on live Thoroughbred racing, Del Mar, Keeneland, Oaklawn Park, Parx and Tampa Downs then 77.6 percent of handle is on those races. Adding the few Penn Entertainment Thoroughbred tracks, you have 82.3 percent of handle, and this leaves the rest of the U.S. midsize and smaller tracks competing for just the remaining 17.7 percent of Thoroughbred handle.

In 2023 Churchill Downs, the New York Racing Association, and the Stronach Group ran 32 percent of the Thoroughbred races meaning the balance of 68 percent of the races were competing for the remaining 41 percent of handle. Or if you include all the tracks in the paragraph above the 82.3 percent of handle is on 55 percent of the races. Again, this leaves the midsize and smaller tracks running 45 percent of the races but competing for the remaining 17.7 percent of Thoroughbred handle.

An important social trend was noted in the Horse Racing Study for the Iowa Racing and Gaming Commission.

¹⁹ IFHA Council on Anti-Illegal Betting and Related Crime, IFHA website, https://ifhaonline.org/Default.asp?section=About%20IFHA&area=125&utm_source=ARF+Anti-Illegal+Betting+Taskforce&utm_campaign=a6c0546ae6-EMAIL_CAMPAIGN_2025_04_29_01_29&utm_medium=email&utm_term=0_-a6c0546ae6-536000356 (Accessed May 11, 2025.)

“The social environment and associated consumers' behaviors and attitudes toward animals present challenges for the horse racing industry as it tries to foster its social license to operate (*generally defined as “a level of acceptance or approval by local communities and stakeholders of organizations and their operations or societal acceptance, tolerance and consent to an activity that is generally considered to be outside the norm*).²⁰ The issues confronting racing integrity, safety, and animal welfare concerns have been well documented in the national media and industry trade journals.”²¹

Thoroughbred horse racing has been governed before the passage and implementation of HISA by a state-by-state model in thirty-eight states that horse racing is offered. As horse racing evolved over time, it became clear that states were lacking consistency in rules compared to other state racing jurisdictions. This discrepancy includes prohibited medications, differing medication thresholds, fines, and safety regulations.

Legislation was introduced in the Senate in 2011 as the Interstate Horseracing Improvement Act of 2011. This bill and similar legislation in 2014 and 2016, did not pass committees because it lacked support from legislators from states that sponsor racing but did not want Federal Government regulation.²²

In the 2018-19 racing season from December to June at California’s Santa Anita Park, there were thirty catastrophic breakdowns during training and racing.²³ This led to public outcry to end horse racing and Santa Anita’s racing was suspended for weeks during that race meet to conduct several tests on its track surface and drainage system.

On March 9, 2020, twenty-seven people were indicted by the FBI including high profile trainers Jorge Navarro and Jason Servis on charges of manufacturing, distributing, and administering illegal substances to Thoroughbred and Standardbred racehorses.

The public outcry from the number of catastrophic injuries at the Santa Anita 2018-19 meet and the federal indictment of twenty-seven individuals led to legislation being introduced with the support of Senate Majority Leader Mitch McConnell from Kentucky. HISA legislation was passed in the Senate and through the U.S. House of Representatives. It was signed into law in December 2020 by President Donald Trump as part of a COVID-19 relief and government funding legislation.

Established when the Horse Racing Integrity and Safety Act was signed into federal law in 2020, the Horseracing Integrity and Safety Authority (HISA) is responsible for drafting and enforcing uniform safety and integrity rules in Thoroughbred racing in the United States. Overseen by the Federal Trade Commission (FTC), HISA was created to implement, for the first time, a national, uniform set of rules applicable to Thoroughbred racing participants and racetrack facilities. HISA comprises two programs:

²⁰ “What is the Social License?” <https://sociallicense.com/definition.html> (Accessed January 19, 2024)

²¹ “Horse Racing Study,” Prepared for the Iowa Racing and Gaming Commission, August 12, 2024, by Racing, Gaming & Entertainment LLC, Page 20, <https://irgc.iowa.gov/media/339/download?inline=> (Accessed April 27, 2025.)

²² Richard R. Gross, “HISA: THE GREATEST REGULATORY CHANGE IN THOROUGHBRED RACING HISTORY”, *Horse Network*, July 7, 2022, <https://horsenetwork.com/2022/07/hisa-the-greatest-regulatory-change-in-american-racing-history/> (Accessed May 2, 2025.)

²³ Jessica P. Ogilvie, “What We Know About The 30 Horses That Died At Santa Anita in the 2018-19 Season”, *Los Angeles Times*, May 28, 2019. <https://laist.com/news/these-are-the-26-horses-that-have-died-this-year-at-santa-anita> (Accessed May 2, 2025.)

the Racetrack Safety Programs, which took effect July 1, 2022, and the Anti-Doping and Medication Control (ADMC) Program, which took effect May 22, 2023.

The legality of HISA has been challenged in court. The legal issues surrounding HISA may not be decided until a ruling from the Supreme Court.

New Mexico

New Mexico, like almost all horse racing jurisdictions in this country, have been impacted by the changing environment outlined regarding the racing and breeding industry trends. New Mexico can't ignore the current environment but if willing to change and grow along with constant monitoring, adjusting the plan based on the metrics that change, and holding stakeholders accountable there is opportunity to improve and first movers in the industry should have advantages in the competitive environment.

What does this mean for the New Mexico racing and breeding industry? What does the benchmarking and national situational analysis tell us about the current environment for New Mexico's industry?

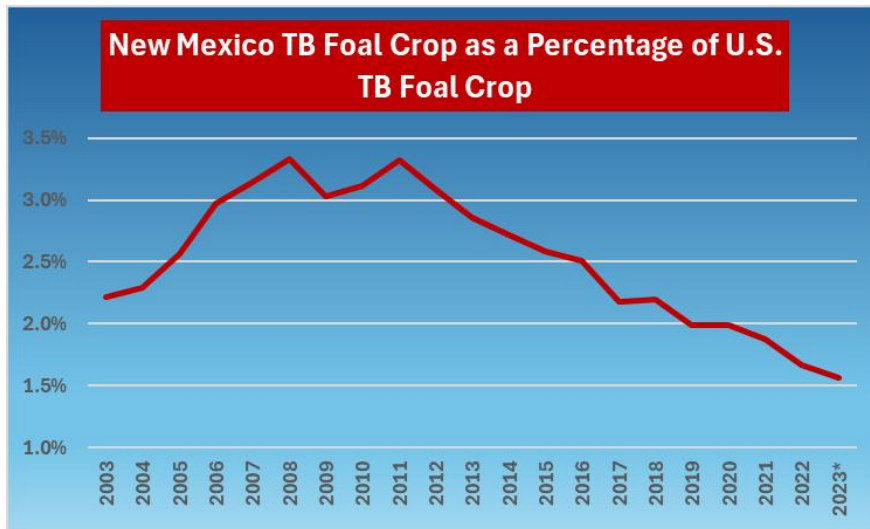
Figure 59 New Mexico and U.S. Annual Thoroughbred Foal Crop

Annual Thoroughbred Foal Crop - NM & U.S.			
Year	NM Crop	U.S. Crop	NM Pct. Of U.S. Crop
2003	752	33,976	2.2%
2004	796	34,800	2.3%
2005	899	35,050	2.6%
2006	1,039	34,905	3.0%
2007	1,078	34,358	3.1%
2008	1,078	32,332	3.3%
2009	896	29,612	3.0%
2010	809	25,955	3.1%
2011	753	22,655	3.3%
2012	663	21,470	3.1%
2013	612	21,431	2.9%
2014	583	21,427	2.7%
2015	556	21,528	2.6%
2016	529	21,119	2.5%
2017	450	20,672	2.2%
2018	435	19,770	2.2%
2019	381	19,138	2.0%
2020	368	18,513	2.0%
2021	335	17,851	1.9%
2022	286	17,146	1.7%
2023*	269	17,200	1.6%

Source: 2025 Jockey Club Fact Book and the 2025 New Mexico Fact Book, Jockey Club

Note: *2023 North America Foal Crop is an estimate

Figure 60 New Mexico Thoroughbred Foal Crop as a Percentage of U.S. Thoroughbred Foal Crop



Source: 2025 Jockey Club Fact Book, 2025 New Mexico Fact Book, Jockey Club and RGE

Note: *2023 North America Foal Crop is an estimate

The New Mexico Thoroughbred foal crop declines since 2008 and 2011 have been at a much greater rate than seen even in the U.S. decline. The number of NM bred foals peaked in 2008 and in both 2008 and 2011 the NM foal crop was 3.35 percent of the total U.S. crop. Now New Mexico bred foals are only 1.56 percent of the U.S. totals. While the U.S. foal crop declined 51 percent since 2007, New Mexico's crop declined 75 percent during that period.

This declining Thoroughbred trend coupled with the increased concentration of foals with the top five states making up 74.1 percent of all U.S. foals means New Mexico cannot continue to support any increase in Thoroughbred races without either relying much more on horses bred out of state or significantly increasing the local New Mexico state-bred foal crop. A major change to the status quo for Thoroughbred racing in New Mexico must be considered and a change that will be stepwise and grow that segment of New Mexico racing in several years.

Figure 61 New Mexico and U.S. Quarter Horse Registrations

NM & U.S. Quarter Horse Registrations		
Year	NM QH Yearly Registrations	U. S. QH Registrations
2007	803	117,830
2008	808	115,979
2009	834	93,835
2010	731	83,736
2011	726	75,225
2012	742	68,902
2013	531	60,867
2014	542	68,240
2015	524	61,282
2016	583	63,497
2017	497	60,893
2018	512	57,753
2019	402	57,245
2020	525	67,653
2021	477	61,623
2022	545	74,728
2023	452	70,526
2024	414	74,820

Sources: NMHBA Annual Reports and the AQHA Annual Reports

Note: The NM Horse Registrations are Weanlings, Yearlings, 2 Year Olds and Older Horses Registered in that calendar year. While this is not equivalent to the annual foal crop it does illustrate the trend in breeding over time.

While the NM Quarter Horse foal crop is far below the numbers of LA, OK and TX crops the NM Quarter Horse racing is in a better position when looking at the benchmarking than the NM Thoroughbred racing. Fortunately, the Texas-bred and Oklahoma-bred Quarter Horses make up a significant portion of the total race entries at the New Mexico racetracks.

Despite the racing doing well, the decline in QH New Mexico state-bred horses of 48.4 percent since 2007 is concerning but not as severe as the 75 percent decline in TB New Mexico state-bred horses since 2007.

What RGE learned from other studies is that anywhere from over 80 percent to almost 90 percent of the race entries at many racetracks were horses aged 2,3,4, or 5 years old. This is like results we observed for New Mexico tracks.

Figure 62 New Mexico Percentage of Total Entries from 4 Years and 5 Years of Foal Crops

New Mexico Percentages of Total Entries of 4 Years & 5 Years of Foal Crops				
	2023		2024	
	4 Years of Foal Crops	5 Years of Foal Crops	4 Years of Foal Crops	5 Years of Foal Crops
Track	Percent of entries that are 2yr-5yr olds	Percent of entries that are 2yr-6yr olds	Percent of entries that are 2yr-5yr olds	Percent of entries that are 2yr-6yr olds
ALB	82%	91%	86%	93%
RUI	92%	96%	94%	97%
SUN	80%	90%	77%	77%
SRP	77%	90%	79%	89%
Zia	87%	94%	87%	93%
All NM Tracks	84%	93%	84%	92%

Sources: Daily Racing Form Charts and RGE

Note: Ruidoso percentages are higher due to many QH races and running futurities and derbies. Sunland Park and SunRay percentages are lower since they run early in the year and there are no 2-year-old races.

This information is useful and can greatly help with decision making regarding the future number of races and race days. Since the national and regional foal crops for the four years that will make up the horses that will be aged 2,3,4, or 5 years old is known before the allocation of race dates it can be one of the metrics used to guide that decision since the supply of horses making up 84-93 percent of the entries is known and the trend of the past is known. It is helpful to know that prior to any decision regarding the number of races and days to allocate there is a clear indicator of whether the supply has changed moving forward.

In the state-bred benchmarking section of this study we noted that the New Mexico Thoroughbred foal crop dropped at a much higher rate than the national decline. Just since 2016 the decline in the New Mexico Thoroughbred foal crop was 49 percent.

For example, let's look at what we knew before decisions were made on how many Thoroughbred races/days to allocate for both the 2019 race seasons and the 2025 race seasons.

Figure 63 Supply of Thoroughbred Horses Prior to the 2019 and 2025 Racing Seasons Comparison

Pre 2019 Race Season Supply of Horses			Pre 2025 Race Season Supply of Horses		
Race Days Allocated = 255			Race Days Allocated = 187		
Year	Thoroughbred Foals		Year	Thoroughbred Foals	
	NM Bred	U.S.		NM Bred	U.S.
2013	612	21,431	2019	381	19,138
2014	583	21,427	2020	368	18,513
2015	556	21,528	2021	335	17,851
2016	529	21,119	2022	286	17,146
2017	450	20,672	2023*	269	17,200
4 yr. Total 2017-14	2,118	84,746	4 yr. Total 2023-20	1,258	70,710
5 yr. Total 2017-13	2,730	106,177	5 yr. Total 2023-19	1,639	89,848

Source: 2025 Jockey Club Fact Book and 2025 New Mexico State Fact Book, Jockey Club, and RGE

Figure 64 Percentage Change in the Supply of Thoroughbred Horses Between 2019 and 2025 Racing Seasons

4 yr. Total Pct. Decline Between the 2019 and 2025 Seasons.		
	NM Bred	U.S.
	-40.6%	-16.6%
5 yr. Total Pct. Decline Between the 2019 and 2025 Seasons.		
	-40.0%	-15.4%
New Mexico Pct. Drop in Race Days from 2019 to 2025		
	-26.7%	

Source: RGE LLC

We know from the state-bred benchmarking section of this study over the past four years that 61.7 percent of all entries in Thoroughbred races were New Mexico bred, and the other 39.98 percent are horses bred in other states/countries. Given that fact, plus the percentage declines in the supply of horses seen in Figure 63, this means that for the 2025 racing season there will be approximately a 30 percent decrease in supply of horses that make up 84-93 percent of all entries in Thoroughbred races. The decline in race days closely matched that decline; however, the decline in available New Mexico bred horses to fill races was much more than the decline of horses bred elsewhere (See Figure 64).

It is not a surprise that according the NMRC Annual Report in 2019 there were 1,307 Thoroughbred races in New Mexico with an average field size of 7.9 and according to the Daily Racing Form data in this study there were only 798 Thoroughbred races in 2024 with an average field size of 7.5 statewide. The drop in the number of Thoroughbred races in New Mexico from 2019 to 2024 was 38.9 percent which is not surprising given the information we had.

Based on data from the New Mexico Horse Breeders Association (NMHBA) in 2019 there were 629 Thoroughbred New Mexico bred races and in 2024 there were 331 Thoroughbred New Mexico bred

racers.²⁴ This is a 47.4 percent reduction in New Mexico bred Thoroughbred races which is like the decline in the 4 year and 5-year foal crops from 2019 to 2024.

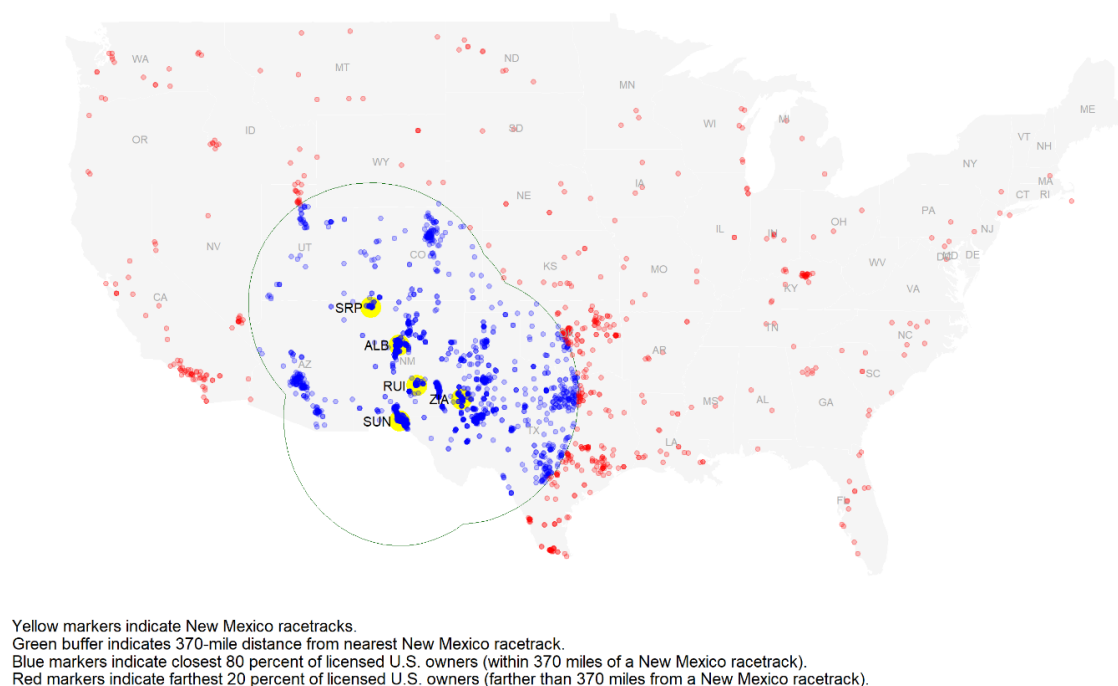
It will be interesting at the end of the 2025 racing season to look at the differences since 2019 given this known data.

With the decline in Thoroughbred New Mexico bred foals, if this trend continues it will be very hard to continue to fill the same number of New Mexico bred races with any field size of interest to the wagering public. Plus, if the decline continues it has a very negative impact on the economic impact on the State. This means if positive changes can be made to increase the supply it achieves many goals. It allows for the expansion of opportunities for New Mexico bred horses to race, it increases the economic impact for the State of New Mexico and improves the field size, and thus the product for the consumers.

The Quarter Horse benchmarks, while indicating some negative impact, have not been as serious nor is the percentage of New Mexico bred Quarter Horse races as high as that of Thoroughbred New Mexico bred races. According to the NMRC Annual Report in 2019 there were a total of 1,157 Quarter Horse races in New Mexico and according to the Daily Racing Form data in this study there were 1,112 Quarter Horse races in 2024.

Figure 65 Map of New Mexico Licensed Owners

Licensed New Mexico Racehorse Owners in the U.S.

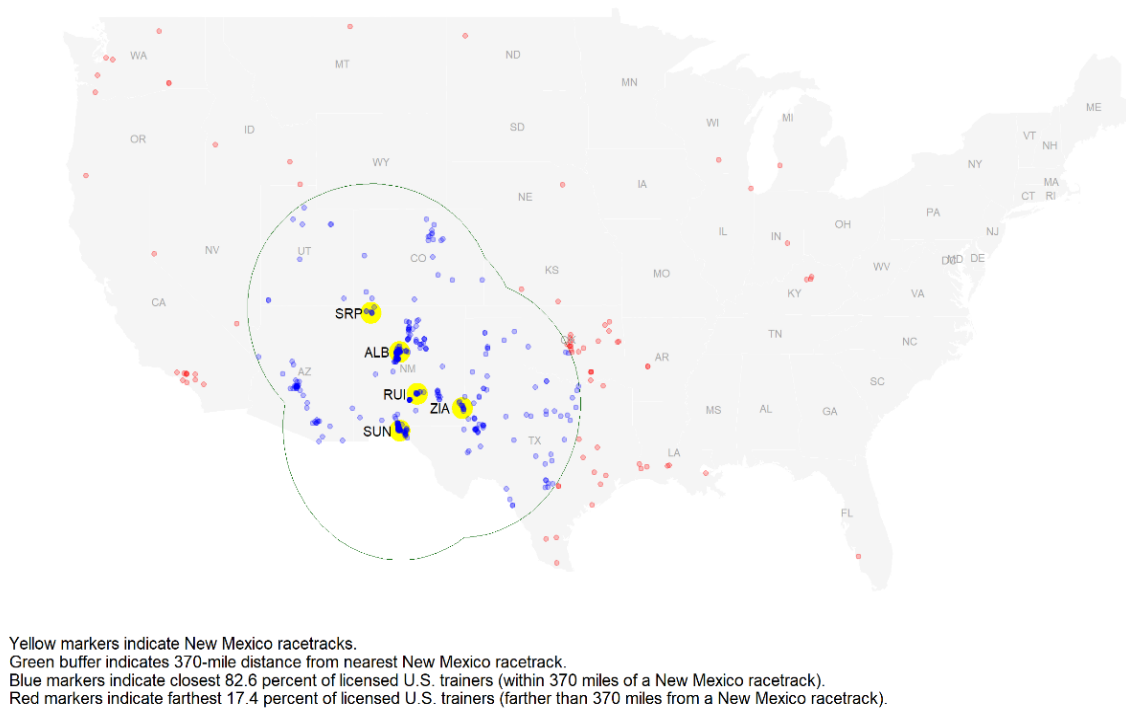


Source: NMRC and RGE

²⁴ New Mexico Horse Breeders Association's 2019 and 2024 Annual Reports. (Emailed from Mary Barber, NMHBA, April, 25, 2025.)

Figure 66 Map of Licensed New Mexico Racehorse Trainers

Licensed New Mexico Racehorse Trainers in the U.S.



Source: NMRC and RGE

The maps in Figure 65 and Figure 66 indicate that 80 percent of New Mexico racehorse owners and 82.6 percent of New Mexico licensed horse trainers reside within 370 miles of the New Mexico racetracks. This is both a strength and opportunity.

The strength of having many horse owners in the region provides them easy access to see their horses participating in the industry but also it is an opportunity if any circuit created or cooperative efforts with other nearby states is created the owners will benefit from more access to see their horses. There may also be an opportunity to try to increase ownership of horses that will participate in the racing and breeding industry in the region if changes can increase opportunities for horses and expand the market.

Likewise, having horse trainers in the region and expanding opportunities or cooperative efforts with breeders and racetracks in other states nearby will be more convenient than traveling long distances during the year to find other opportunities.

Given the competitive market for wagering customers, it is important to provide an attractive product of both quality and quantity. Making sure you have full fields of competitive races is one way to separate yourself from the many tracks that must compete for a small market share of handle as discussed in the section of the study.

Figure 67 The Impact of Betting Interests to Handle in New Mexico

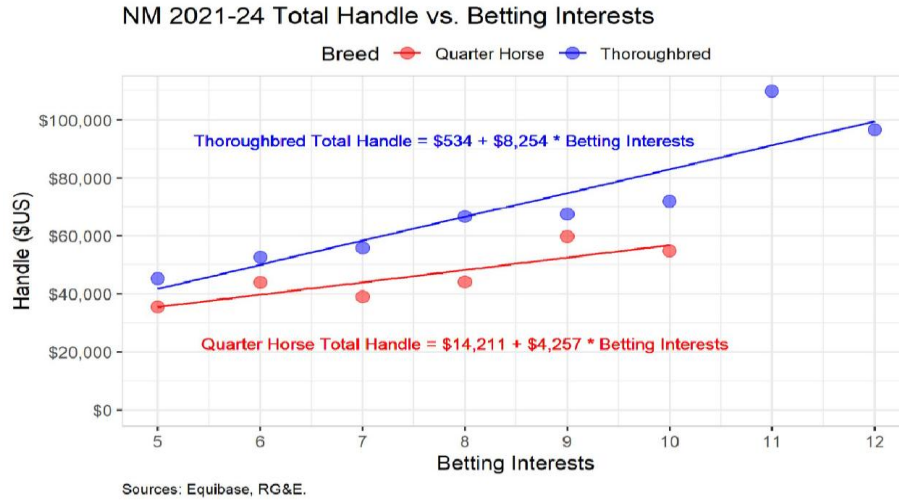


Figure 67 above shows the impact of field size on the New Mexico race handle. Field size is an important determinant of handle but also with more horses running it achieves another goal of adding to the New Mexico economic impact from the industry. The goal should be to provide more opportunities but not at the expense of running races that are unattractive to customers and with very few race entries. Ten races with ten runners in each race provide 100 opportunities to race a horse, as do 20 races with five horses but the first option will attract more interest in the local product in the long run.

RGE observed a serious drop in handle, about \$16.8 million or 29 percent drop with about 9 percent less races, on the New Mexico live Thoroughbred races from 2023 to 2024. (Quarter Horse handle also dropped but only \$2.8 million, a 5 percent decline, but with about 2 percent more races.)

Figure 68 Analysis of New Mexico Live Racing Thoroughbred Handle 2023-2024

New Mexico Live Thoroughbred Handle Analysis 2023-2024 (Thoroughbred handle was down over \$17 million 2023-2024)			
Track		2023	2024
ZIA	Races	150	151
	Avg. Field Size	8.9	7.8
	Avg. Handle Per Race	\$115,228	\$71,790
	Avg. Handle Per Starter	\$12,947	\$9,204
	Total decline in Handle	\$6,443,882	
RUI	Races	146	36
	Avg. Field Size	7.7	7
	Avg. Handle Per Race	\$62,982	\$50,297
	Avg. Handle Per Starter	\$8,179	\$7,185
	Total decline in Handle	\$7,384,687	
ALB	Races	164	200
	Avg. Field Size	8.8	7.4
	Avg. Handle Per Race	\$47,845	\$37,485
	Avg. Handle Per Starter	\$5,437	\$5,066
	Total decline in Handle	\$349,615	
SUN	Races	243	244
	Avg. Field Size	8	7.6
	Avg. Handle Per Race	\$93,907	\$80,909
	Avg. Handle Per Starter	\$11,738	\$10,646
	Total decline in Handle	\$3,077,802	

RUI & ALB meets combined due to 2024 fires/floods			
Tracks		2023	2024
RUI/ALB (combined)	Races	310	236
	Avg. Field Size	8.3	7.3
	Avg. Handle Per Race	\$54,974	\$39,439
	Avg. Handle Per Starter	\$6,638	\$5,374
	Total decline in Handle	\$7,734,302	

Sources: Daily Racing Form Charts, Statistics by Race Breed and RGE

Note: SunRay Park did not export their signal, and the handle difference was not material to the analysis.

Figure 68 gives us a look at key factors that impacted the handle. In 2024 due to fires and floods in Ruidoso part of that race meet was moved to Albuquerque. Therefore, to understand the change since the Daily Racing Form charts are by location and not race meet, we combined the data of the two tracks on the right side of the table above. We also did not include SunRay Park in the table above since they did not export the signal and the change in handle for that track was not material to the overall large change in handle.

Two primary things need to be considered. One, there were 72 less Thoroughbred races run statewide in 2024. There were 74 fewer Thoroughbred races run between Ruidoso and Albuquerque (and one more Thoroughbred race run at both Zia Park and Sunland Park). At an average handle for the Ruidoso and Albuquerque races at \$39,439 the drop in races only amounts to \$2.9 million of the decline.

What is obvious is that the average field size for the Thoroughbred tracks all declined significantly and the average handle per race and average handle per starter declined in all cases from 2023 to 2024.

Besides the horse population impacting field size, the purses per race and the types of races offered (conditions) can have an impact on the field size and subsequently the handle. Next, we will look at the number of races run as denoted by the Daily Racing Form during the calendar year 2023. We use 2023 as 2024 saw the race meet moved from Ruidoso to Albuquerque due to inclement weather, flooding and fires.

Two items stand out on the table below. First is that Quarter Horse Races in 2023 made up more than 50% of the races run in New Mexico even if you removed Ruidoso Downs that is primarily attractive to Quarter Horses with the rich futurities and derbies run throughout the summer.

Figure 69 Analysis of 2023 Quarter Horse Races Run by Condition Type

	2023 QUARTER HORSE RACES BY CONDITION					TOTAL per CONDITION	% of TOTAL
	ABQ	RUI	SRP	SUN	ZIA		
ALW	47	63	27	67	45	249	23.51%
CHM	1				1	2	0.19%
CLM	27	16	16	38	30	127	11.99%
DBY	2	8		1	2	13	1.23%
DTR	10	56		5	4	75	7.08%
FNL		2				2	0.19%
FTR	20	127	11	19	6	183	17.28%
FUT	2	6	2	2	1	13	1.23%
HDS		1		1		2	0.19%
INS	2	3			1	6	0.57%
MAT	1			1		2	0.19%
MCL	20	16	16	26	27	105	9.92%
MDN	35	57	25	50	27	194	18.32%
MDT		6				6	0.57%
MTR				3		3	0.28%
OCL	5		4	4		13	1.23%
SOC	6	2	2	12		22	2.08%
STK	3	17	4	8	8	40	3.78%
TRL		2				2	0.19%
TOTAL	181	382	107	237	152	1059	
% of Total	52%	72%	51%	49%	51%	57%	

Source: Daily Racing Form and RGE

The second item that stands out is the number of condition types that are offered and run for the Quarter Horses. Yet again, the offerings are not consistent across all racetracks. In many cases, the inconsistencies are a small number of races and can be a result of how the race is indexed in the racing office software or how specific the conditions are. But it is worth pointing out that there could be an opportunity amongst racetracks to streamline and offer consistent conditions.

Looking at the total races per condition type, there are categories that are run quite a bit with many the non-claiming type like stakes, futurity and allowance races for the higher-level horses and then another grouping in the claiming races, mostly maiden claiming but also claiming races.

The next table shows further the comparison of non-claiming races to claiming races for the Quarter Horses:

Figure 70 Analysis of 2023 Non-Claiming Races Versus Claiming Races

2023 NON-CLAIMING VERSUS CLAIMING RACES RUN												
	ABQ		RUI		SRP		SUN		ZIA		TOTAL RACES	
	#	%	#	%	#	%	#	%	#	%	#	%
Quarter Horse												
Non-Claiming	123	68%	348	91%	69	64%	157	66%	95	63%	792	75%
Claiming	58	32%	34	9%	38	36%	80	34%	57	38%	267	25%
Thoroughbred												
Non-Claiming	55	34%	62	42%	27	26%	96	40%	69	47%	309	38%
Claiming	109	66%	84	58%	77	74%	147	60%	79	53%	496	62%

Source: Daily Racing Form and RGE

Again, focusing on the Quarter Horse, Ruidoso Downs primarily runs non-claiming races throughout their race meet. However, even removing Ruidoso from the picture, the other four racetracks also run a 65-35 split of non-claiming to claiming races. This exemplifies the strength of the Quarter Horse program throughout New Mexico and not solely Ruidoso Downs. As we see in Figure 75 Comparison of Quarter Horse Purses by Select Conditions below, the New Mexico purses for the higher-level conditions are above the average of the sample group and are also contributory to attracting and retaining the higher-level horses even if they are not stakes level.

When looking at the conditions run in 2023 for the Thoroughbreds, there is a different distribution than what we see with the Quarter Horses. For starters, the Thoroughbreds do not have as many trials and futurity/derby finals.

Figure 71 Analysis of 2023 Thoroughbred Races Run by Condition Type

2023 THOROUGHBRED RACES BY CONDITION							
	ABQ	RUI	SRP	SUN	ZIA	TOTAL per CONDITION	% of TOTAL
ALW	18	19	9	31	30	107	13.29%
AOC	7	4	3	11	6	31	3.85%
CLM	78	62	52	95	53	340	42.24%
CST	3					3	0.37%
MCL	18	18	17	37	20	110	13.66%
MSW	13	18	9	28	18	86	10.68%
SOC	13	4	8	15	6	46	5.71%
STK	12	13	6	26	15	72	8.94%
TRL	2	8				10	1.24%
TOTAL	164	146	104	243	148	805	
% of Total	48%	28%	49%	51%	49%	43%	

Source: Daily Racing Form and RGE

As a percentage of the total, the Thoroughbreds are less than 50% of the races run in New Mexico and even if you remove Ruidoso Downs, it is right below 50%. Note in 2025, Ruidoso Downs is not running any Thoroughbred races. The lack of Thoroughbred opportunities was already evident in these 2023 numbers and will be exacerbated in 2025. This includes the issue of there being nowhere for New Mexico-bred Thoroughbreds to race during the summer months of the Ruidoso meet.

Figure 72 Analysis of 2023 Non-Claiming Races Versus Claiming Races

2023 NON-CLAIMING VERSUS CLAIMING RACES RUN												
	ABQ		RUI		SRP		SUN		ZIA		TOTAL RACES	
	#	%	#	%	#	%	#	%	#	%	#	%
Quarter Horse												
Non-Claiming	123	68%	348	91%	69	64%	157	66%	95	63%	792	75%
Claiming	58	32%	34	9%	38	36%	80	34%	57	38%	267	25%
Thoroughbred												
Non-Claiming	55	34%	62	42%	27	26%	96	40%	69	47%	309	38%
Claiming	109	66%	84	58%	77	74%	147	60%	79	53%	496	62%

Source: Daily Racing Form and RGE

The other item that stands out as completely opposite of the Quarter Horse is the ratio of non-claiming to claiming races for the Thoroughbreds is reversed. However, this 35-65 split is a more common distribution as compared to other, similar quality level Thoroughbred racetracks. The concerning part here is that 62-65% of the races run are claiming races and as we observe below, those races are below the purse average of comparable tracks in the United States. If the prospect of keeping a horse in training is unlikely to be offset by the earnings of the horse, owners will sell or move their horses to

jurisdictions where this is more likely success. Additionally, as will be discussed in the Breeding Strategies, with the restricted races offered at the higher levels and possibly cannibalizing open races at those levels, these two forces may be contributory to preventing Thoroughbred horses choosing New Mexico as a place to race and breed Thoroughbreds.

All this ties back to the handle and positive and negative impacts on what is wagered on New Mexico races. The Ruidoso/Albuquerque average handle per race was down 28.3 percent with a drop of one horse per race which is a very large drop. Zia Park average handle per race was down 37.7 percent with just over one horse less per race. Sunland Park had the least drop in average field size and as expected accounted for much less of the total statewide drop in Thoroughbred handle.

There are other factors that impact the handle, but the data does indicate that the drop in field size was an important factor. Average field size for Thoroughbred races in 2021 and 2022 was the same both years at 7.7 and increased statewide to 8.3 in 2023. The handle on New Mexico races in 2021 was impacted by the Covid pandemic and the fact that the Sunland Park ran only four Thoroughbred races in 2021 with only 577 Thoroughbred races statewide.

It is more difficult to assess how the impact of the migration to account wagering has impacted the handle of New Mexico races both live and simulcasting.

Figure 73 New Mexico Simulcast and Live Racing Handle

New Mexico Out-of-State Simulcast Handle		New Mexico Live Racing Handle			
Year	Handle	Year	Thoroughbred Handle	Quarter Horse Handle	Total Live Handle
2016	\$ 44,731,809	2016	\$ 65,482,570	\$ 35,208,737	\$ 100,691,307
2017	\$ 44,092,743	2017	\$ 75,344,634	\$ 38,111,132	\$ 113,455,766
2018	\$ 41,702,876	2018	\$ 82,700,094	\$ 41,508,270	\$ 124,208,364
2019	\$ 37,330,312	2019	\$ 74,599,588	\$ 43,258,338	\$ 117,857,926
2020*	\$ 11,784,888	2020*	\$ 52,304,333	\$ 32,891,889	\$ 85,196,222
2021*	\$ 28,866,121	2021*	\$ 32,926,915	\$ 40,552,849	\$ 73,479,764
2022	\$ 31,450,276	2022	\$ 57,340,406	\$ 58,581,615	\$ 115,922,021
2023	\$ 30,980,891	2023	\$ 57,783,680	\$ 57,836,494	\$ 115,620,174
2024	\$ 26,776,572	2024	\$ 41,005,709	\$ 55,022,331	\$ 96,028,040

Source: New Mexico Racing Commission Annual Reports

Note: * 2020 and 2021 pari-mutuel handle was impacted by the Covid-19 Pandemic

It appeared that the live meet handle in New Mexico returned to near pre-Covid levels in 2022 and 2023 however the Thoroughbred handle dropped significantly in 2024 which as noted above was mainly due to the drop in average field size of those races and to a lesser extent due to having 74 less Thoroughbred races. One thing to note when looking at the most current three years of New Mexico handle, there are many more Quarter Horse races in New Mexico compared to Thoroughbred races and both Sunland and Zia run the Quarter Horse races on weekends when there is larger on-track handle compared to weekdays when Thoroughbred races are run.

We would expect that the simulcast handle might be impacted more by the shift of handle to ADW as we discussed in this section due to the pandemic and normal trend of people using convenience and

technology to wager. Simulcast racing offered on most days of the year does not include the live racing aspect that may add more reason to go to a track to wager. Since many customers either over the course of time opened an account to wager on horse racing or like many during the pandemic, they had to get an account if they wanted to wager since many tracks were either closed or offered racing without spectators allowed on the grounds during the pandemic.

The simulcast handle in New Mexico is 28 percent down from pre-pandemic 2019. However, we know 2024 simulcast handle had some negative impact due to the disputes between horsemen and other stakeholders in the industry which caused the stoppage of the Kentucky Derby importing their signal to New Mexico and other premier race cards. Given this fact we looked at the average yearly simulcast handle for all four post pandemic years (2021 to 2024) which is \$29.5 million and that is still 21 percent behind pre-pandemic. If you look at the best year of simulcast handle since the pandemic (2022) that is down 15.8 percent from the pre-pandemic handle. We believe much of this has been a loss of handle and revenue to the industry since New Mexico does not permit ADW.

As previously discussed, given the fact that pari-mutuel handle has not grown but ADW handle has grown significantly we know that much of that ADW handle is not an expansion of pari-mutuel gaming but merely a shift to convenience especially after the pandemic when many customers needed an account to continue their usual wagering on horse racing.

As an example of what revenue New Mexico racing is losing since ADW is not legal, the Wyoming Gaming Commission just published their 2024 Annual Report and the ADW handle for 2024 is over \$4.7 million.²⁵ Wyoming only has a population of about 587,000 compared to New Mexico's population of about 2.1 million. Many states that legalized ADW require source market fees paid on the handle and those fees are meant to help the local horse racing industry remain economically viable when most wagering is happening online and away from the tracks. Known source market fees can range from 3 to 10.5 percent of handle.²⁶ Currently several ADW firms are taking bets from New Mexico residents on races outside of New Mexico and New Mexico racing is not receiving any benefit from this wagering. Furthermore, we believe it has a negative impact by not taking wagers on the New Mexico races from those within the state as these players are now focusing on non-New Mexico races thus wagering less or not at all on the New Mexico product.

Sources of revenue are important to maintain and grow as they fuel the purse money and breeders' awards that drive investment into racehorses. Purses in the United States have grown steadily over the past years even when taking inflation into account. In New Mexico, the average Thoroughbred purse per race is in the top 10 by state for Thoroughbreds. Earlier in the Regional Benchmarking section, we looked at earnings (purses), and later in this report in Racing Strategies, there will be more discussion of purses for both breeds.

²⁵ "Wyoming Gaming Commission 2024 Annual Report," Wyoming Gaming Commission, <https://gaming.wyo.gov/revenue-reports/annual-report> (Accessed May 21, 2025.)

²⁶ "Source Market Fees," July 1, 2020, Global Racing website, <https://globalracing.com/source-market-fees/> (Accessed May 21, 2025.)

Figure 74 Average Thoroughbred Purse Per Race - 2023

Average Thoroughbred Purse Per Race (2023)				
Rank	State	Races	Purses	Per Race
1	Kentucky	1777	\$ 192,642,096	\$ 108,409
2	Arkansas	594	\$ 45,023,060	\$ 75,796
3	New York	2487	\$ 179,485,119	\$ 72,169
4	Virginia	315	\$ 20,047,987	\$ 63,644
5	California	2815	\$ 159,416,294	\$ 56,631
6	New Jersey	541	\$ 28,433,952	\$ 52,558
7	Maryland	1452	\$ 65,362,892	\$ 45,016
8	Florida	2464	\$ 99,156,800	\$ 40,242
9	New Mexico	777	\$ 26,364,449	\$ 33,931
10	Indiana	983	\$ 32,443,230	\$ 33,004

Source: Daily Racing Form

The following show how races at certain levels compare to the region and states just outside the immediate region:

Figure 75 Comparison of Quarter Horse Purses by Select Conditions

Condition Level Comparison - Quarter Horse				
State	Track	Maiden	Allowance NW2	Claiming 7,500 NW2
New Mexico	ABQ	\$22,000	\$23,600	\$13,400
	RUI	\$16,200	\$27,000	\$14,000
	SRP	\$18,700	\$19,420	\$13,700
	SUN	\$24,300	\$27,700	\$10,900
	ZIA	\$45,000	\$52,500	\$24,000
Arkansas	OP	NA	NA	NA
Illinois	FAN	NA	NA	NA
	HAW	NA	NA	NA
Indiana	IND	\$17,000	\$18,500	NA
Iowa	PRM	\$14,000	\$15,000	\$9,600
Louisiana	DED	\$11,500	\$12,500	\$7,000
	EVD	NA	NA	NA
	FG	\$15,000	\$16,000	\$7,000
	LAD	NA	NA	NA
Minnesota	CBY	\$14,500	\$15,500	NA
Nebraska	FON	NA	NA	NA
Oklahoma	FMT	\$14,500	\$16,500	\$10,000
	RP	\$20,000	\$22,000	\$13,500
	WRD	NA	NA	NA
Texas	Hou	\$17,000	\$18,000	\$10,500
	LS	NA	NA	NA
	RET	\$16,000	\$17,500	\$11,500

Source: Equibase Condition Books

Quarter Horses in New Mexico race for good purses when compared to the rest of the U.S. In New Mexico, there are quite some variations in purse value by condition. Zia Park leads the way in purses by condition and Ruidoso Downs and SunRay Park are generally lower. Sunland Park emphasizes purses for higher-level horses and it as well as Zia Park have the greatest spread between top overnight offerings and the lower levels.

In most cases, the restricted overnight races offer purses that are \$2,000 - \$9,000 more than the open races compared in the table above. The amounts allocated follow in line with the purse distribution at each track with Ruidoso Downs and SunRay Park adding less in restricted breed money as compared to Zia Park on the top end. As the bulk of purse money is derived from the statutorily allocated proceeds from gaming, the facilities that have robust casino play also have the higher purse distribution and breed allocation.

Figure 76 Comparison of Thoroughbred Purses by Select Conditions

Condition Level Comparison - Thoroughbred				
State	Track	Maiden	Claiming 12,500 NW2	Claiming 5,000 NW1Yr
New Mexico	ABQ	\$22,000	\$18,400	\$12,200
	RUI	NA	NA	NA
	SRP	\$18,700	\$19,420	\$13,700
	SUN	\$25,200	\$15,200	\$10,800
	ZIA	\$45,000	\$30,500	\$19,000
Arkansas	OP	\$115,000	\$30,000	NA
Illinois	FAN	\$12,000	\$10,000	\$7,500
	HAW	\$32,000	\$13,500	\$11,000
Indiana	IND	\$32,000	\$17,500	\$14,000
Iowa	PRM	\$34,500	\$14,700	\$13,000
Louisiana	DED	\$35,000	\$18,000	\$14,000
	EVD	\$30,000	\$15,000	\$10,000
	FG	\$57,000	\$21,000	\$15,000
	LAD	\$20,000	\$9,000	\$7,600
Minnesota	CBY	\$29,000	\$14,500	\$12,000
Nebraska	FON	\$9,100	NA	\$7,600
Oklahoma	FMT	\$17,050	\$7,150	\$4,950
	RP	\$34,000	\$15,000	\$8,500
	WRD	\$22,000	\$11,000	\$11,000
Texas	Hou	\$33,000	\$13,000	\$11,000
	LS	\$33,000	\$14,000	\$13,500
	RET	NA	NA	NA

Source: Equibase Condition Books

Thoroughbreds in New Mexico also race for good purses when compared to the rest of the U.S. The mid and low-level races in the table above do compare well with a few exceptions of Oaklawn Park and the Fairgrounds. Most notably and opposite of the Quarter Horses, the Maiden Allowance/Special Weight races at all tracks except Zia Park are offered for less purse money than most of the sample of

tracks/jurisdictions. This condition level is often a method of comparison for horse owners and trainers as it will probably be the first place their horse(s) start on their career.

Again, in most cases, the restricted overnight races offer purses that are \$2,000 - \$9,000 more than the open races compared to the above. Like the Quarter Horses and due to the same factors regarding casino gaming, when looking at the tracks internal to New Mexico, there is greater disparity in purse distribution. Again, Zia Park raises the average purse per race for Thoroughbreds in New Mexico.

There is also the purse money paid to participants in the form of breeders' awards earned by horse owners, breeders, and stallion owners. In 2024, New Mexico paid \$12M in awards that includes purse supplements for New Mexico-breds. However, when adjusting for inflation, the breeders' awards are not keeping pace with inflation. When looking at the Owner/Breeder/Stallion awards compared to 2010, the amount has stayed static (outside of the COVID-19 years) and has been eroded by inflation.

Figure 77 Total New Mexico Awards Adjusted for Inflation to 2010

Total NM Breeders Awards Adjusted for inflation to 2010			
Year	Total	Adjusted	Inflation Rate
2010	\$4,235,748	\$4,235,748	
2011	\$4,244,956	\$4,113,329	3.20%
2012	\$4,139,638	\$3,928,773	2.10%
2013	\$4,048,931	\$3,782,172	1.60%
2014	\$4,243,077	\$3,901,109	1.60%
2015	\$4,436,505	\$4,074,873	0.10%
2016	\$3,860,674	\$3,500,473	1.30%
2017	\$3,776,110	\$3,353,378	2.10%
2018	\$3,823,292	\$3,315,701	2.40%
2019	\$3,938,106	\$3,354,884	1.80%
2020	\$1,943,354	\$1,635,918	1.20%
2021	\$2,449,985	\$1,969,819	4.70%
2022	\$3,967,507	\$2,953,635	8.00%
2023	\$4,178,519	\$2,988,208	4.10%
2024	\$4,005,943	\$2,794,920	2.50%

Source: New Mexico Horse Breeders' Association; Inflation Rate found in <https://www.macrotrends.net/global-metrics/countries/usa/united-states/inflation-rate-cpi>,

This decline in the purchasing power derived from New Mexico-bred awards is 34% in the fifteen-year span. This does not coincide with the decline in breeding in the state as Thoroughbred mares bred declined by 70% over the same timeframe, more than twice the erosion in purchasing power. On the Quarter Horse side, registrations fell 43% over the same period. Not as drastic as the Thoroughbreds but a large decline. This points towards other factors affecting breeding besides the buying power of breeders' awards. We will look at how New Mexico breeding compares to other jurisdictions outside of Kentucky, Florida, and New York later in the report.

The decline in breeding has an impact on the horse population as previously mentioned. Additionally, the number of races run has declined. However, the number of conditions offered remains high when considering two of the tracks (Sunland Park and Zia Park) only offer two days or 18 Thoroughbred races

weekly. Adding to that is the requirement on those days to run three New Mexico-bred races per day, leaving 12 races for the non-New Mexico-bred horses to run in.

Social issues and HISA NM

The state of New Mexico has not avoided the public outcry regarding the safety and welfare issues facing horse racing nationally as documented in the section. Recent news reported a dozen racehorses tested positive in some of the richest Quarter Horse events in New Mexico in 2024.²⁷

The prior year in 2023, New Mexico's governor sent a letter to the commission demanding change after the death of seven horses at Ruidoso Downs.²⁸

In 2012 the New Mexico racing industry was part of a New York Times article about doping and breakdowns in several states including New Mexico.²⁹

The New Mexico Racing Commission is also contending with another recent issue involving a "paper training" scheme while suspended trainers operate behind the scenes.³⁰

New Mexico, like other states that permit multiple breeds to race in their jurisdiction, are facing some challenges since the new HISA regulations pertain to Thoroughbreds, but a state must decide how to provide safety and integrity for all breeds racing in their state. Some states have opted out of HISA.

While the legal issues surrounding HISA are yet to be resolved, another issue for many jurisdictions is the cost of paying for HISA regulations. Fortunately for New Mexico, Senate Bill (SB 336) in New Mexico was signed into law on April 4, 2023. This bill reallocated 1.2% of the 26% gaming taxes to the state of New Mexico to pay for jockey and exercise rider insurance and costs complying with federal law (HISA). This bill has a temporary provision where the New Mexico Racing Commission (NMRC) will review the effectiveness of using net take to offset the costs of jockey and exercise rider insurance and the cost of HISA. This bill potentially could "sunset" on July 1, 2027.

We believe within a jurisdiction with two or more racing breeds competing it is important to have uniformity of the rules. Without uniformity you have confusion created by inconsistent regulation, but it also presents challenges for stakeholders. While the new rules add costs to industry so far, the results reported by HISA have been encouraging. In 2023 and 2024 the racing fatality rate at tracks subject to HISA rules have declined.

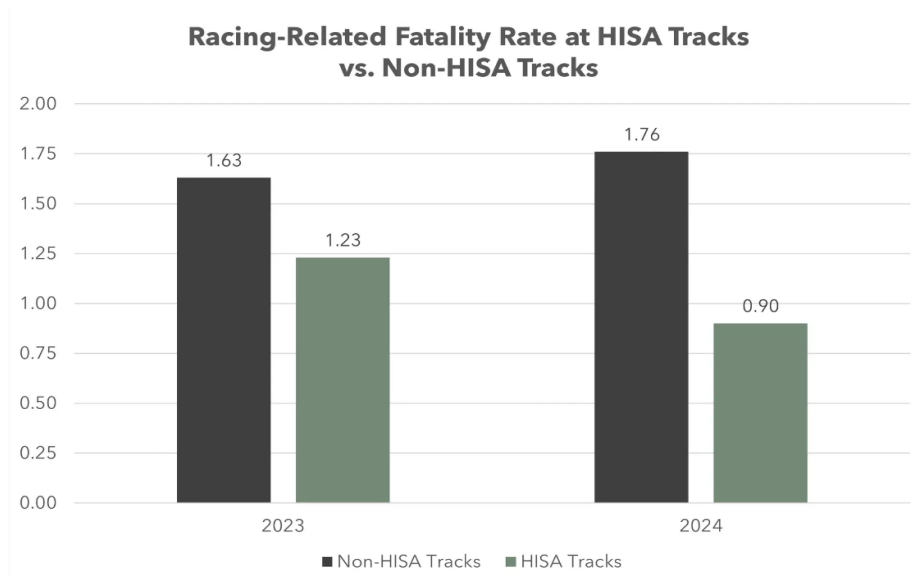
²⁷ "Investigation turns up an Illicit drug in a dozen racehorses following the high-stakes All American," Susan Montoya Bryan, February 13, 2025, AP News website <https://apnews.com/article/horse-racing-drug-testing-quarter-horses-e0eb54001a007ad15a88e1f4105143e5> (Accessed May 17, 2025.)

²⁸ "New Mexico governor demands changes to make horse racing drug-free," Susan Montoya Bryan, August 25, 2023. AP News website, <https://apnews.com/article/new-mexico-horse-racing-deaths-drug-testing-02ac7e5d64e539a310ea208c155ad316> (Accessed May 17, 2025.)

²⁹ "Horse Given Painkiller Breaks Down at New Mexico Racetrack," Walt Bogdanich and Rebecca R. Ruiz, The New York Times, <https://www.nytimes.com/2012/08/18/sports/horse-given-painkiller-breaks-down-at-new-mexico-racetrack.html> (Accessed May 17, 2025.)

³⁰ "'Paper Training' New Mexico Investigation Uncovers Suspended Trainer Behind The Scenes," Chelsea Hackbarth April 1, 2025. <https://paulickreport.com/news/the-biz/paper-training-new-mexico-investigation-uncovers-suspended-trainer-behind-the-scenes> (Accessed May 17, 2025.)

Figure 78 Racing Related Fatality Rate at HISA Tracks vs. Non-HISA Tracks



Source: Horseracing Integrity and Safety Authority <https://hisaus.org/news/march-2025-newsletter-2>

The Wyoming Gaming Commission, which runs Quarter Horse and Thoroughbred races, recently modified their rules to be consistent for both breeds and more consistent with HISA. The Wyoming Gaming Commission also authorized an independent team to inspect and provide safety reports for both the track surface, barn area, and human participant areas and provide an inspection report.

New Mexico Moving Forward

While not specifically part of the scope of this study it is clear to RGE that based on trade journal articles about the New Mexico's racing industry and our stakeholder interviews (See Appendix #3 – Stakeholder Interviews), the multiple disagreements, lawsuits, and general inability of many stakeholders to work together we feel this is a major barrier to progress or consideration of any strategies that will help the New Mexico breeding and racing industry. "What began as a battle over who would pay for liability insurance for jockeys and exercise riders in New Mexico has escalated into what appears to be an all-out-war involving the state's racetracks, racing commission, and longtime horsemen's representative association."³¹

Continuing the current path will only drive the current negative trends to continue and further lead to a very poor outlook for industry.

³¹ "Some Simulcasts Into New Mexico Shut Down Over Lingering Dispute," Ray Paulick February 13, 2024, <https://paulickreport.com/news/the-biz/some-simulcasts-into-new-mexico-shut-down-over-lingering-dispute> (Accessed May 21, 2025.)

Competitive Forces

Competitive forces help describe how much pressure an industry experiences and the impact of those forces on the success of industry stakeholders. The forces often analyzed are from the context of Porter's Five Forces.³² The five forces are: competitive rivalry, supplier power, buyer (customer) power, threat of substitution, and threat of new entry.

Competitive Rivalry

The pari-mutuel wagering market, being part of the gambling market, is a very competitive market with consumers having many options. The high fixed and variable costs of providing a racing product normally put horse racing at a disadvantage.

The New Mexico gambling market and the national market have increased the options for consumers over the past several decades. If you just look at skill-based competition with pari-mutuel the racing product competes with sports wagering, some table games of skill, and other options.

The New Mexico tracks compete nationally for pari-mutuel horse racing customers that have many options of different racetracks and different distribution channels. As looked at in the Situational Analysis, over 77 percent of the handle on Thoroughbred racing is on the NYRA, Churchill tracks, Stronach tracks and the next five largest handling tracks. This leaves a small market share left that all the other tracks must compete for the customers' attention.

In addition, making the competitive market even more challenging for the New Mexico tracks is as also discussed in the Situational Analysis is the fact that well over 50 percent of the wagers have shifted to ADW which is not legal in New Mexico. The customers that wager very large amounts on a monthly and yearly basis can easily shop for rebates with the ADW providers and it is hard for the bricks and mortar tracks to compete for those customers. Also, in the Regional Benchmarking section we noted the Thoroughbred handle regionally does not compare well with other tracks and there are most likely several contributing factors. See Figure 37 Thoroughbred Average Win, Place, and Show Handle Per Race Regional Comparisons in the Regional Benchmarking Section.

³² "Porter's Five Forces Explained and How to Use the Model," by Peter Gratton (updated March 28, 2025), Investopedia, <https://www.investopedia.com/terms/p/porter.asp> (Accessed May 9, 2025.)

Figure 79 2023 Thoroughbred Average Handle Per Race Regional Comparison

2023 Thoroughbred Average Handle Per Race		
Track	Track_Name	Avg. Handle/race
FG	Fair Grounds	\$ 326,547.27
LRC	Los Alamitos (Thoroughbred)	\$ 315,875.47
IND	Horseshoe Indianapolis	\$ 259,908.15
TUP	Turf Paradise	\$ 199,630.64
EVD	Evangeline Downs	\$ 190,628.78
DED	Delta Downs	\$ 162,712.15
RP	Remington Park	\$ 136,486.45
ZIA	Zia Park	\$ 115,228.00
CBY	Canterbury Park	\$ 111,786.18
LA	Los Alamitos (Quarter Horse)	\$ 105,249.16
SUN	Sunland Park	\$ 93,907.43
WRD	Will Rogers Downs	\$ 85,919.42
LAD	Louisiana Downs	\$ 83,630.37
RUI	Ruidoso Downs	\$ 62,982.10
PRM	Prairie Meadows	\$ 61,587.01
ALB	Albuquerque	\$ 47,844.60
LS	Lone Star Park	\$ 39,505.40
ARP	Arapahoe Park	\$ 25,367.17
HOU	Sam Houston	\$ 17,751.52
WYO	Wyoming Downs	\$ 10,214.21
SRP	Sun Ray Park	\$ 7,645.87
EDR	Energy Downs 307 Racing	\$ 1,830.04
SWF	Sweetwater Fair	\$ 1,323.13

Source: Daily Racing Form Charts and RGE

Note: 2024 skews Albuquerque and Ruidoso data due to the transfer of the balance of the Ruidoso meet to Albuquerque

When comparing the data in Figure 79 with the exception of Zia Park, the New Mexico tracks do not compare well especially when you know that the Texas tracks, Arapahoe, and Wyoming tracks do not export their races and Prairie Meadows has one of the smallest average field sizes compared to comparable tracks.

It is worth noting that there are numerous studies that demonstrate the importance of field size in the competitive market. It is no surprise that Thoroughbred handle on New Mexico Thoroughbred races declined from about \$58 million to \$40.6 million from 2023 to 2024 when average field size for those races dropped from 8.3 to 7.5 per race. The average handle per race on New Mexico Thoroughbred races dropped from about \$71,800 per race to \$55,800 per race from 2023 to 2024, over a 22 percent decline. The handle per race on New Mexico Quarter Horse races from 2023 to 2024 dropped from about \$53,000 per race to about \$50,000 per race but field size on those races only dropped from 9.1 to 8.9.

Supplier Power

We will discuss supplier power from two perspectives or two types of suppliers. One is the horses, horsemen, and breeders that supply the product needed to showcase a live horserace. The second type of supplier we will mention is the various technological companies that supply necessary services to conduct simulcasting which is almost 94 percent of the pari-mutuel handle.

With the declining supply of horses to race the horsemen has considerable supplier power and it has grown over time as supply declined. Decades ago, when racing faced little competition, the horsemen had very little supplier power since there was a much larger supply of horses to apply for stalls at racetracks. At the time the racetracks had much more power as the “buyer” of the horse supply and could be much more selective in whom they allotted stalls to. Now given the rapidly declining foal crops, the supply of horses is not able to meet the demand for active horses needed to produce attractive races with larger field sizes that appeal to consumers.

There is also the potential of more race days in Nebraska, Wyoming and Kansas which would only add more regional demand for the supply of horses.

In New Mexico currently there is a unique impact on the track and horsemen relationship that will be looked at more in the strategic recommendation development in the study. The fact that there are lawsuits and a breakdown from the traditional relationships and cooperation puts a very large strain on any effort to improve and cooperate.

The second supplier type crucial to distributing the product would be totalizator and broadcast technologies needed for simulcasting, which is the main distribution of the product. There are very few companies that supply the racetracks with these necessary services and those suppliers are oligopolies or in some cases have monopoly power and this makes for strong supplier power over their buyers, the tracks.

Buyer (Customer) Power

The buyer has considerable power since they have many gambling and pari-mutuel products to choose from. The buyer can wager on sports, casinos, internet wagering (legal and illegal) etc. Even if the customer only wants to wager on horse racing, they have many racetracks every day to wager on via simulcasting at tracks or ADW. Also previously mentioned the customer can shop for the best deal if they wager a lot and get rebates from the providers of the product. When a customer looks at what to wager, they can look at many races and decide to wager based on field size, quality, or other factors such as convenience and data easily supplied through ADW or online.

Threat of Substitution

Like the power buyers have described above, there are many substitutions. The fact that they can bet on hundreds of races on some days gives the buyer power since they can wager on other products and simply not wager on New Mexico races if better options exist. Skilled based gamblers now can shift their wagers to other sports at many sites in New Mexico.

The substitution effect also carries over to horsemen (suppliers) that can race their horses at many tracks in the region and look for the best options for a circuit on which to race that brings value to them.

Threat of New Entry

New markets have expanded the racino to other jurisdictions to compete in addition to the very competitive market already described. Nebraska will be expanding on race days but to what extent is unknown. Wyoming has approved a new racetrack adding race days in that market and the breeders' program in Wyoming has already reached over \$8.5 million³³ to be distributed to 2024 participants. There is also discussion about opening a Quarter Horse track for live racing in Kansas. Accel Entertainment Inc. opened the newest racino April 2025 in Illinois, Fairmount Park Casino and Racing.

As gaming expands there are other possible new entrants into the market that could add more competition for New Mexico tracks. Online gaming is expanding, will New Mexico amend sports wagering to include online, what will Texas do in the future that could provide more competition?

³³ "Wyoming Gaming Commission Performance Measures," Wyoming Gaming Commission, <https://drive.google.com/file/d/1NyoW7E3uhTwJppClD-5tfzL2ryQfnyZZ/view> (Accessed May 9, 2025.)

Strategic Plan

Introduction and Positioning Statement

The intent of the study is not to determine how New Mexico racing/breeding got to its present position but to look forward and suggest strategies to improve racing and breeding in New Mexico as well as suggest metrics that should be used to measure success and create accountability.

There are different opinions on why racing/breeding in New Mexico declined and the study's focus is not to determine the cause but to provide data and analysis to lead to strategies to improve the current situation. Micro and macro-economic forces as well as policy changes or lack thereof are contributing factors to decline but are also potential contributors to continuous and measured improvement.

RGE believes the status quo is not an option to sustain or improve the racing/breeding industry in New Mexico. The current trends most likely will continue if the status quo is maintained and declines will continue. If declines continue it will not only negatively impact the racing/breeding industry but also lessen the economic impact the industry contributes to the State. Further economic declines will make it hard to avoid public policy scrutiny and question the strong continued support for horse racing.

It should also be noted that the racing/breeding industry in New Mexico cannot be instantly fixed regardless of cause, but a strategy must look at how to build it back up. It will take dramatic change and will take several years. It cannot be instantly turned back in time to where it was in 2007/08 since the data shows the foal crops have declined and cannot currently support what it once was.

Since the New Mexico Racing Commission contracted this study, we took into consideration the Commission's purpose and mission. The New Mexico Racing Commission Mission states:

"We exist to provide regulation in an equitable manner to New Mexico's pari-mutuel horseracing industry to protect the interest of wagering patrons and the State of New Mexico in a manner which promotes a climate of economic prosperity for horsemen, horse owners and racetrack management."³⁴

The Commission's purpose is found in Title 15 Gambling and Liquor Control, Chapter 2 Horse Racing.

"Through these rules, the commission intends to encourage agriculture, the horse breeding industry, the horse training industry, tourism and employment opportunities in this jurisdiction related to horse racing and to control and regulate pari-mutuel wagering in connection with that horse racing."³⁵

There is a real opportunity in the region to create an attractive racing program and New Mexico's competitive advantage is that it not only has a lucrative gaming contribution to support racing but also has five tracks (six licensees) to share the effort compared to some jurisdictions that have fewer tracks to support a reasonably attractive racing infrastructure needed. The industry can't move forward until

³⁴ The New Mexico Racing Commission Website, <https://www.nmrc.state.nm.us/#::~:~:text=Our%20Mission,horse%20owners%20and%20racetrack%20management> (Accessed May 28, 2025.)

³⁵ New Mexico Title 15 Gambling and Liquor Control, <https://www.nmrc.state.nm.us/wp-content/uploads/2025/04/15.002.0001.pdf> (Accessed May 28, 2025.)

the industry is willing to work together and move past the roadblock of lawsuits, “in-fighting” and current paralysis.

To reach win-win outcomes, all parties to an agreement must be willing to make concessions and/or give something up, too.

Racing Strategies

Our analysis looked at the competitive market, the national and regional trends and benchmarked New Mexico to both national and regional data. RGE looked at purses, state-bred races, pari-mutuel handle, field size, race conditions and utilization of the horse population. Where stables migrated were considered and to gain a broad perspective we spoke with all major stakeholder groups.

New Mexico is not unique regarding certain challenges facing the nation and many other tracks. There is opportunity in the region. It is a balancing act among stakeholders (breeders, horse owners, and track owners) to share resources and responsibilities.

The goal of the racing strategy recommendations is to improve the racing product with the initial focus to improve the Thoroughbred product and race opportunities while maintaining and not negatively impacting the healthy Quarter Horse segment. As racing and breeding are connected and intertwined, RGE hypothesizes that adoption of these racing and breeding strategies with measured improvement of the racing product will lead to increased demand for New Mexico Bred horses due to increased opportunities and overall value of a New Mexico bred. Subsequently, this will incentivize breeders to breed more, quality horses.

The benchmarking, SWOT analysis, situational analysis, and competitive forces clearly showed that the Thoroughbred racing and breeding industry in New Mexico have great challenges and have faced more significant declines.

Based on analysis and benchmarking clearly the New Mexico supply of racing horses is down. The local supply problem is way too low that New Mexico cannot be an incubator and rely on its own supply and a closed-door point of view. What is needed long term is to stimulate more local breeding but immediately they must find ways to make it more attractive to outside stables to pursue racing in New Mexico.

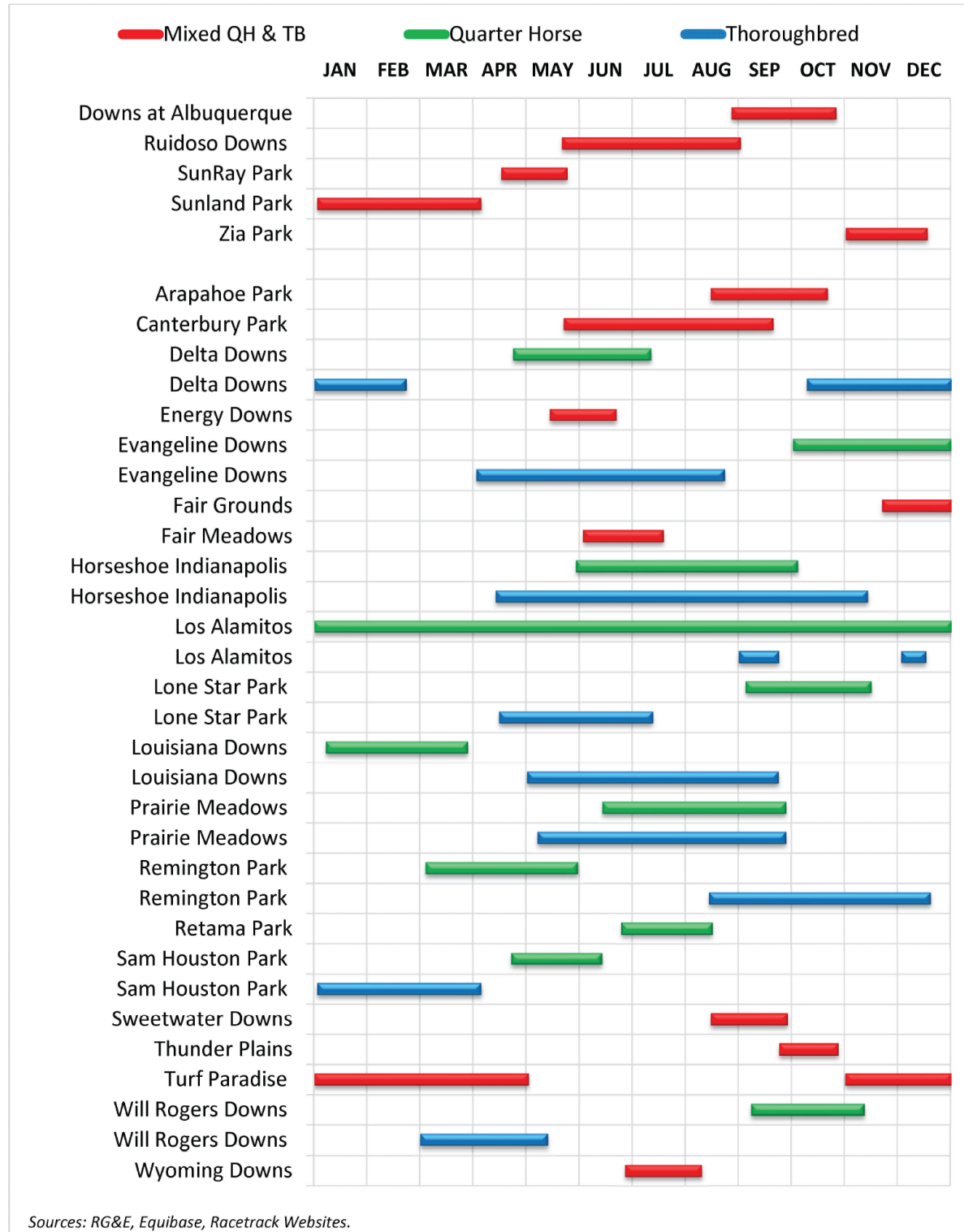
There are many strategies to consider and in fact combine tactics. From looking at race meets and circuits more attractive to stables that are not predominantly New Mexico bred horses, to reconsidering race conditions and incentives while always keeping in mind producing an attractive product to keep interest in racing in New Mexico alive for customers, increase economic impact, and have an attractive industry for potential horse owners/breeders.

Regional partnerships should be considered as few states have the supply and demand to make it on their own given the present trends and market competitiveness.

On the racing side of the industry, we feel that one of the most important aspects to look at is the racing meets, racing circuit, and purses that drive interests from potential suppliers (horse stables/breeders). We will look at potential changes to race meets and the purse structure together.

Figure 80 Racing Circuits in New Mexico and the Comparative Regional Area

2025 Racing Calendar
Selected Racetracks within New Mexico's Multi-State Racing Circuit



There is a lot of competition for racehorses in the region examined. There are more separate meets than mixed meets. To help analyze what is best for New Mexico given the current situational analysis we look at the pros and cons of mixed and separate meets.

Separate meet advantages:

- It is easier to allocate more stalls to each stable as stall space is only needed for one breed.
 - This should also help open races to fill better than they currently are.
 - Two tracks running simultaneously in New Mexico would provide more stabling for horses in New Mexico.
 - Potentially can offer more stalls to a trainer than with a mixed meet and it could be an incentive for them to ship to New Mexico for a race meet.
- More “opportunities” for horsemen to enter and run during that time frame because all races offered are for that breed.
 - More race conditions for each breed can be offered for each breed with separate meets since the supply of horses at a track is only one breed.
- Circuit development is potentially easier to accomplish with other tracks that have separate meets.
- The Thoroughbred meet presents fewer simulcasting challenges as some jurisdictions either are unable to or prefer not to simulcast Quarter Horse races. This factor impacts when certain races are scheduled.
- Track surface conditions can be tailored to each breed and thus track maintenance is not faced with the challenge of making the surface ‘right’ for either or both at the same time.
- Each breed and race meeting can be evaluated with appropriate metrics and compared to tracks that run separate meets.
- Separate race meets allow focused marketing and scheduling of post times.
 - For example, market Quarter Horse meet to the growing Hispanic market, and post times to take advantage of the Quarter Horse control of the import simulcast signals into California after 5:30 pm Pacific time.

Separate meet disadvantages:

- The operational cost of running two race meets is likely greater when the combined two meets take place over more calendar days than a single mixed meet would.
- Quarter Horse simulcast races are not attractive in many jurisdictions (or not legal in some) and thus those races often will handle less when not coupled with a Thoroughbred product due to the preference of the products by the public.
- Trainers that train both breeds would have to split up their stables and potentially could lead to horses leaving the state.

- Stakeholders agreeing where each separate meet should be run – operators and horsemen may have difficulty agreeing.
- Potential challenge of getting enough qualified veterinarians and other specialized officials for tracks running at the same time.

Mixed meet advantages:

- Filling races at times may be easier depending on horse supplies because you are not forced to use a race with a short field if you have a race of the other breed with a better field size.
 - Some races can be run (870 & 1,000 yards) for both Quarter Horses and Thoroughbreds.
- A mixed meet may extend over more calendar days for both breeds, allowing some horses to get more starts. One example is with Quarter Horse racing futurities and derbies with trials, are an important aspect and to run multiples of either require a significant number of calendar days due to the trial and final.
- Tracks may be able to reduce the number of days facilities need to be open thus reducing costs.
- Horsemen that train both breeds can have all their horses at one place.
- Marketing a mixed meet, you may be able to attract customers to live races that prefer either breed to watch and perhaps wager on races of the opposite breed of the ones they prefer.

Mixed meet disadvantages:

- The allocation of stalls, while an advantage for separate meets, becomes a disadvantage for mixed meets. With finite resources (stalls), some stables that may have come to race if they were allocated more stalls for horses may choose to go to a competitive meet that offers them a greater number of stalls. Trainers can save money stabling horses that may not race at a meet by having more horses in one place instead of having to pay stall rent elsewhere to train horses that may not race at the meet where stalls were allocated.
- Offering more race conditions is not a good strategy anytime there is a limited number of horses available and mixed meets makes the inventory (horses) less for each breed given the need for the track to allocate stalls to both breeds.
 - The restrictions on one breed of horses means less inventory and filling less races for that breed making it harder to attract non-New Mexico bred horses since even fewer open races per breed can be offered.
- Running the race meetings together does not allow for easy evaluation of costs, revenues and performance by breed.
 - It is more difficult to create fair metrics to evaluate each breed when the races are mixed.
- Simulcasts of Quarter Horse races are not legal or not a desirable product in many jurisdictions.
- The racing surface becomes an issue between the two breeds.

- Two different regulatory schemes exist as the Quarter Horse races are not under HISA which leads to confusion for horsemen and fans. It may also present logistical problems with test barn protocol or some rules.
- Potentially less opportunity to create/promote a circuit with other jurisdictions.

There are advantages and disadvantages to both. Given the current situational analysis, we feel that separate race meets need to be implemented. The advantages of separate meets help address some of the key supply issues facing the New Mexico racing industry. The advantages listed above are all beneficial but the ability to allocate more stalls to each breed and offer more opportunities are two that directly address the current weaknesses identified. Separate meets also allow for more targeted race conditions to the inventory and can make for a circuit attractive to stables. It should also lead to cooperative cross-border tactics for both racing and breeder programs in states that will mutually benefit by adding value and opportunities.

If separate meets are adopted, we do believe currently racetrack operators and even horsemen do not make great efforts to recruit more horses from outside of New Mexico. Regardless of the final racing calendar implemented, we believe the industry must make a serious effort to recruit from outside the state and attract more horses/stables to race in New Mexico.

Another advantage for the separate meet scenario is the potential to create one racing office or one racing department between the two Thoroughbred racetracks and likewise for the Quarter Horse racetracks. This concept will allow racetracks to hire staff that will work for nine or ten months (perhaps some year-round) instead of three to four, potentially improving talent acquisition and providing a better career path for racing secretaries and officials. It can also promote the consistency of conditions offered between the breeds racing at the respective Thoroughbred or Quarter Horse meets. This concept is already in place in New York with NYRA (albeit they own the racetracks where it occurs), in Alberta, Canada and has been a practice with the majority of the Standardbred tracks in Canada since the last decade.

We observed in the state benchmarking section of the report that 61.7 percent of all Thoroughbred entries were New Mexico bred horses. If you increase Thoroughbred races given the small New Mexico foal crop this is not sustainable, and you must attract more horses that were foaled/bred in other jurisdictions. We also know from the situational analysis that 74.1 percent of the Thoroughbred foal crop are from just five states. Thus, the states with small foal crops like New Mexico would be wise to cooperate with other states where the state-bred horses can be competitive when racing in state-bred races open to more than one jurisdiction's local state-breds.

Racetrack officials need to travel to jurisdictions to promote the new racing calendar, horsemen and management must agree to race conditions and provide more opportunity for other horses that would come to New Mexico from other places. It may seem counter intuitive that horsemen want more horses in state, but with a low supply the horsemen are also negatively impacted when races they want to run in do not fill due to low supply of horses. If the racing product improves with fuller fields, more races, and a quality product, everyone benefits. The wagering customer will be more attracted to the product; horsemen will have races fill that may not have in the past, and handle can contribute more to purses and the track's revenues.

We also looked at purses as it relates to a new circuit strategy. As discussed, there are currently significant differences in the purse levels between some of the New Mexico tracks. This will make it more difficult to create race meets for one breed that attracts the same quality of horses to stay and race longer in New Mexico. If the purses vary greatly from one meet to the next some stables will only have horses that fit one meet and look elsewhere to race where they are competitive. More aligned purse structures also will allow the tracks that offer Thoroughbred races or Quarter Horse races in New Mexico to cooperate to make a racing program more consistent, align race conditions, and recruit with united efforts to mutually benefit the tracks and the New Mexico racing industry. For example, if two tracks and their horsemen align those things together the two tracks can offer a longer racing season between them and attract stables that will fit both meets.

The study for the NMRC stated to look at recommendations “notwithstanding statutory requirements.” Therefore, we looked at all options and will address the rules, statutes, and other barriers and how to address those issues at the conclusion of our strategic analysis.

Figure 81 Two Potential Separate Meets Racing in New Mexico

Separate Meet Racing for New Mexico						
Race Meets	Breed	Months Racing	Approx. Days Barn Open	Race Days	TB Races	QH Races
Sunland	TB	4.25	145	54	486	0
Zia	QH	3	130	47	0	423
Albuquerque	TB	3.25	123	43	387	0
Ruidoso	QH	4.25	135	50	0	450
NMSF	Mixed	1	30	17	76.5	76.5
SunRay @ Alb.	QH	2	85	23	0	207
			Totals	234	950	1,157

Note: Albuquerque runs 3 race meets, the NMSF, Downs at Albuquerque, and a proposed SunRay at Albuquerque.
Note: There are 217 days of separate meet racing and 17 days at the NMSF of mixed meet racing for a total of 234 days.

To illustrate a template for how a calendar of separate meet racing could look like we created two calendars to isolate the Thoroughbred and Quarter Horse circuits. This model or a similar one if adopted can address some of the major challenges currently observed in our analysis on the racing side of the business. The result would be more races for both breeds, race meets that require less travel, provide more stabling for each breed to have horses to fill races while sharing the burden of tracks among the six racing licenses (Albuquerque, New Mexico State Fair, Ruidoso, Sunland, SunRay, and Zia).

SUN	ALB	NMSF	Both NMSF & RUI																								
2026 Thoroughbred Calendar																											
January '26							February '26							March '26							April '26						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7	1	2	3	4	5	6	7				1	2	3	4
4	5	6	7	8	9	10	8	9	10	11	12	13	14	8	9	10	11	12	13	14	5	6	7	8	9	10	11
11	12	13	14	15	16	17	15	16	17	18	19	20	21	15	16	17	18	19	20	21	12	13	14	15	16	17	18
18	19	20	21	22	23	24	22	23	24	25	26	27	28	22	23	24	25	26	27	28	19	20	21	22	23	24	25
25	26	27	28	29	30	31								29	30	31					26	27	28	29	30		
May '26							June '26							July '26							August '26						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2		1	2	3	4	5	6				1	2	3	4							1
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22
24	25	26	27	28	29	30	28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29
31																					30	31					
September '26							October '26							November '26							December '26						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5					1	2	3	1	2	3	4	5	6	7			1	2	3	4	5
6	7	8	9	10	11	12	4	5	6	7	8	9	10	8	9	10	11	12	13	14	6	7	8	9	10	11	12
13	14	15	16	17	18	19	11	12	13	14	15	16	17	15	16	17	18	19	20	21	13	14	15	16	17	18	19
20	21	22	23	24	25	26	18	19	20	21	22	23	24	22	23	24	25	26	27	28	20	21	22	23	24	25	26
27	28	29	30				25	26	27	28	29	30	31	29	30						27	28	29	30	31		
Note Sept NMSF is Mixed Meet Try to work with Remington and OK breeders to run NM/OK bred races in NM & OK to promote circuit Thoroughbreds can also go to Arizona or Colorado - Make reciprocal deals for AZ & NM bred races																											

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Figure 83 Quarter Horse Racing Calendar

SRP @ALB							RUI							Both NMSF & RUI							NMSF							ZIA						
2026 Quarter Horse Calendar																																		
January '26							February '26							March '26							April '26													
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S							
				1	2	3	1	2	3	4	5	6	7	1	2	3	4	5	6	7				1	2	3	4							
4	5	6	7	8	9	10	8	9	10	11	12	13	14	8	9	10	11	12	13	14	5	6	7	8	9	10	11							
11	12	13	14	15	16	17	15	16	17	18	19	20	21	15	16	17	18	19	20	21	12	13	14	15	16	17	18							
18	19	20	21	22	23	24	22	23	24	25	26	27	28	22	23	24	25	26	27	28	19	20	21	22	23	24	25							
25	26	27	28	29	30	31								29	30	31				26	27	28	29	30										
May '26							June '26							July '26							August '26													
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S							
					1	2		1	2	3	4	5	6				1	2	3	4							1							
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8							
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15							
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22							
24	25	26	27	28	29	30	28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29							
31																					30	31												
September '26							October '26							November '26							December '26													
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S							
		1	2	3	4	5					1	2	3	1	2	3	4	5	6	7			1	2	3	4	5							
6	7	8	9	10	11	12	4	5	6	7	8	9	10	8	9	10	11	12	13	14	6	7	8	9	10	11	12							
13	14	15	16	17	18	19	11	12	13	14	15	16	17	15	16	17	18	19	20	21	13	14	15	16	17	18	19							
20	21	22	23	24	25	26	18	19	20	21	22	23	24	22	23	24	25	26	27	28	20	21	22	23	24	25	26							
27	28	29	30				25	26	27	28	29	30	31	29	30						27	28	29	30	31									
Note Sept NMSF is Mixed Meet																																		
Note: Zia opens for QH training in January and SRP @ Alb remains opens for QH training in December																																		
Source: RGE																																		

The two calendars should be viewed simultaneously and realize that other changes are necessary to make in conjunction with this type of circuit to make it successful but also provide a path to reverse trends and improve racing/breeding in New Mexico. The month of September is the same on both calendars because we are suggesting the New Mexico State Fair meet remains a mixed meet and it becomes part of both the Thoroughbred and Quarter Horse circuit. There are several ways to achieve the same goals with slight variations to the above calendars.

Alternate calendars were also considered viable. All combinations would require some law changes, specifically allowing three days a week racing initially for a Thoroughbred racing circuit regardless of which track hosts those dates and potentially allowing for no racing in December depending on the combination of calendars utilized.

Note: It should be noted that we considered other scenarios to the above calendars which would depend on stakeholder preferences and what other regions may be more likely to cooperate for the betterment of both jurisdictions. The specific Thoroughbred and/or Quarter Horse calendar

In the Alternate Thoroughbred calendar another viable change would be to run the Albuquerque Thoroughbred dates after the State Fair (NMSF meet) until the end of the year. This would allow New Mexico racing to make a circuit and regional state-bred agreements with tracks like Prairie Meadows (Iowa), Canterbury (Minnesota), Lone Star (Texas), and/or Louisiana Downs (Louisiana). There are more options to race a horse in the summer months and any of those would provide a year-round circuit for the Thoroughbreds. This may also make sense in light of what happened in 2025 with the Ruidoso meet. This Thoroughbred calendar allows Thoroughbreds to go to many summer tracks running and utilizes the Thoroughbred racing during a less competitive time of the year and allows New Mexico to attract Thoroughbreds from other jurisdictions during less competitive times of the year regarding the horse supply and number of race dates offered in the regions.

SUN	ALB	NMSF	Both NMSF & UI																													
2026 Thoroughbred Calendar																																
January '26							February '26							March '26							April '26											
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S					
				1	2	3	1	2	3	4	5	6	7	1	2	3	4	5	6	7				1	2	3	4					
4	5	6	7	8	9	10	8	9	10	11	12	13	14	8	9	10	11	12	13	14	5	6	7	8	9	10	11					
11	12	13	14	15	16	17	15	16	17	18	19	20	21	15	16	17	18	19	20	21	12	13	14	15	16	17	18					
18	19	20	21	22	23	24	22	23	24	25	26	27	28	22	23	24	25	26	27	28	19	20	21	22	23	24	25					
25	26	27	28	29	30	31								29	30	31					26	27	28	29	30							
Jan 2&3 is 2027												May '26							June '26							July '26						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S					
					1	2		1	2	3	4	5	6				1	2	3	4								1				
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8					
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15					
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22					
24	25	26	27	28	29	30	28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29					
31																					30	31										
September '26							October '26							November '26							December '26											
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S					
		1	2	3	4	5					1	2	3	1	2	3	4	5	6	7			1	2	3	4	5					
6	7	8	9	10	11	12	4	5	6	7	8	9	10	8	9	10	11	12	13	14	6	7	8	9	10	11	12					
13	14	15	16	17	18	19	11	12	13	14	15	16	17	15	16	17	18	19	20	21	13	14	15	16	17	18	19					
20	21	22	23	24																												

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the current season they have been. We modified that by switching the two tracks (meets) and with Zia in the spring this would require less moving for the Quarter Horse stables. While this calendar requires more movement for Quarter Horse stables it does take a break in the Quarter Horse circuit when the supply of Quarter Horses would be less and for futurities that would be non-existent in January and February.

Figure 85 Alternate Quarter Horse Racing Calendar

SRP @ ALB							RUI							Both NMSF & RUI							NMSF							ZIA						
2026 Quarter Horse Calendar																																		
January '26							February '26							March '26							April '26													
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S							
				1	2	3	1	2	3	4	5	6	7	1	2	3	4	5	6	7					1	2	3	4						
4	5	6	7	8	9	10	8	9	10	11	12	13	14	8	9	10	11	12	13	14	5	6	7	8	9	10	11							
11	12	13	14	15	16	17	15	16	17	18	19	20	21	15	16	17	18	19	20	21	12	13	14	15	16	17	18							
18	19	20	21	22	23	24	22	23	24	25	26	27	28	22	23	24	25	26	27	28	19	20	21	22	23	24	25							
25	26	27	28	29	30	31								29	30	31					26	27	28	29	30									
Since 2 & 3 yr. olds are foundation of QH racing Jan./Feb. seem the right months to take a break																																		
May '26							June '26							July '26							August '26													
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S							
					1	2		1	2	3	4	5	6					1	2	3	4						1							
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8							
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15							
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22							
24	25	26	27	28	29	30	28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29							
31																					30	31												
September '26							October '26							November '26							December '26													
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S							
			1	2	3	4	5					1	2	3	1	2	3	4	5	6	7				1	2	3	4	5					
6	7	8	9	10	11	12	4	5	6	7	8	9	10	8	9	10	11	12	13	14	6	7	8	9	10	11	12							
13	14	15	16	17	18	19	11	12	13	14	15	16	17	15	16	17	18	19	20	21	13	14	15	16	17	18	19							
20	21	22	23	24	25	26	18	19	20	21	22	23	24	22	23	24	25	26	27	28	20	21	22	23	24	25	26							
27	28	29	30				25	26	27	28	29	30	31	29	30						27	28	29	30	31									
Note Sept NMSF is Mixed Meemet																																		
Note: Zia remains open for QH training through January and SRP @ Alb opens for QH training in February																																		

As part of the calendars of racing we are suggesting the SunRay Park meet be moved to Albuquerque and implement many three-day race weeks. We believe moving the SunRay meet is a “win-win” and will add more details in the discussion below on regulatory tactics that need to be addressed to fully implement the above schedules.

Currently we realized based on the analysis that the Thoroughbred racing in New Mexico is struggling the most. We also know that in the immediate future based on supply issues both locally and nationally that a straight Thoroughbred meet could not support four days a week racing now. It would be a goal to reach that point after several years of growth and make the circuit attractive to both local

breeders/owners but also attractive to participants outside of New Mexico. We will later suggest metrics to monitor this and help evaluate when progress and expansion to more race days can be considered.

The Thoroughbred calendar offers more stables for Thoroughbreds, more opportunities per week than currently offered most of the time and two longer race meets with only one move. It will require (discussed elsewhere in this report) creating cooperative efforts with places like Arizona and Oklahoma (or other jurisdictions with the modified calendar also considered) to offer those that wish to race in the gap currently not filled in New Mexico a place to race competitively. Arizona is a less reliable option as currently there is only two years left on the racing agreement between Turf Paradise and the Arizona Horsemen. The property in Phoenix has been tabbed for sale and development a few times in the past six years so if a longer-term arrangement is not agreed to, this option becomes secondary or even tertiary to the strategy.

The Thoroughbred calendar offers 30 percent more Thoroughbred races than was offered in 2024, however, to make it successful the race meets cannot currently rely on more New Mexico bred races and must attract horses and stables that will have sufficient opportunities in open or multi-breed races.

Looking at the inventory utilization, we will discuss the number of horses required to put on a race meeting with nine and ten races per day and eight horses per race. (These numbers do not include any horses that would be scratched after entry time or entered in races that do not fill.) In Figure 86, we show the required horses per week to achieve nine or ten races per day with an eight-horse average in every race for three or four race days per week. For example, 3 days X 9 races/day X 8 horses/race = 216 horses necessary for the week. We use the eight horses in a race as the minimum number per race that is attractive to bettors as it allows the tracks to offer all possible wagering pools. Additionally, as we saw in Figure 67 *“The Impact of Betting Interests on Handle in New Mexico”* in the Situational Analysis, the handle per race from eight horses (interests) and beyond is much greater than seven horses or less.

Figure 86 Utilization Needs for Thoroughbred Race Meet

HORSE POPULATION REQUIREMENT 8 HORSES/RACE			
TB RACING AT ABQ/SUN			
	Days	9 Races/Day	10 Races/Day
Horses / Week	3	216	240
	4	288	320

Source: RGE

Next, we look at the total number of horses in a cycle of both a two-and-a-half and three-week cycles that are required based on the number of race days per week with the same parameters of horses per race and races per day. The “cycle” is how often trainers/owners look to run their horse back and can be based on how often a race for the horse is offered (determined by the Racing Secretary), and how often the trainer feels a horse is capable of racing. Some trainers look at racing a horse in a shorter cycle and some longer, so the two examples are the average cycle by weeks. Simply if we know there are 216 horses required for three days/week and nine races/day, there are 2.5 X 216 = 540 horses required for a 2.5-week cycle and 3 X 216 = 648 horses required for a 3-week cycle.

Figure 87 Number of Horses Utilized Based on Running Cycle Times

	CYCLE REQUIREMENTS		CYCLE REQUIREMENTS	
	9 RACES/DAY		10 RACES/DAY	
Days	2.5 Weeks	3 Weeks	2.5 Weeks	3 Weeks
3	540	648	600	720
4	720	864	800	960

Source: RGE

As you add days or increase the cycle time of when the average horse runs back, you require more horses. Similarly, the requirement for individual horses increases with the number of races per day. The minimum number of individual horses needed in a cycle is 540 at three days per week, nine races per day and a two-and-a-half-week cycle. The most is 960 at four days of racing per week, ten races per day and a three-week cycle. This shows that early on, to make the straight Thoroughbred meet to work, there will need to be three day per week racing and nine races per day and then build on that number as people view New Mexico as a place to come with Thoroughbreds to race.

Looking at the capacity of the facilities we have earmarked for Thoroughbred racing, there is plenty of capacity to eventually get to four days of racing per week even if horses are on a three-week cycle. In fact, Albuquerque and Sunland can handle a three-and-a-half-week cycle if necessary and the stalls are filled with a high percentage of active horses ready to race.

Figure 88 Expected Utilization for Straight Thoroughbred Meet

EXPECTED UTILIZATION					
		9 RACES/DAY		10 RACES/DAY	
		ABQ	SUN	ABQ	SUN
Capacity		1440	1500	1440	1500
Cycle		2.5 Weeks	3 Weeks	2.5 Weeks	3 Weeks
70% of Capacity Active Horses on the Grounds					
Days/Wk	3	468	402	408	330
Days/Wk	4	288	186	208	90

Source: RGE

Figure 88 above shows that at 70% capacity of active horses or if that is all the horses that come to the straight Thoroughbred meets, there numbers show the race meets can happen with eight-horse fields and nine or ten races. In Figure 88, using Albuquerque (ABQ) with a stall capacity of 1,440 horses on a 2.5-week cycle and 3 days/week with 9 races/day and 70% of the horses or $70 \times 1449 = 1,008$ horses in the barn area actively racing, we saw above that 540 horses were needed as a minimum so that leaves 468 horses still available to race. That is a good indicator that Albuquerque has the capacity and horse supply under those parameters to offer some very good betting races for the horse players.

Furthermore, as those numbers decrease, the horse population is too limited and may have an impact on the quality of the product for the bettors. This is something tracks and horsemen should monitor and as previously mentioned, make concerted efforts to recruit horses for the straight breed meets.

Hopefully over time when New Mexico breeds more horses it can reevaluate the race mix and again we can use metrics over time to monitor progress and make changes as supply changes.

The Quarter Horse calendar offers a longer racing season than the Thoroughbred calendar simply because the current supply is better, but it too could be improved over time. The Quarter Horse calendar offers more races than offered in 2024 but not near to the extent of increase for the Thoroughbred races. The Quarter Horse calendar does provide a way to expand on the outlined number of races if supply warrants it and full fields of quality racing can be maintained. The reason we currently do not recommend too many more races is we think it is important to maintain attractive purses to be competitive. If you add many more races the total purse money available will not change thus decreasing the average purse per race.

Figure 89 New Mexico Racing Commission 2024 Annual Report Purse Distribution

2024 New Mexico Purses					
2024 New Mexico Thoroughbred Purses					
Track	Races	Track Purse	Gaming	Contribution	Total
RUI	99	454,041	1,843,505	161,967	2,459,513
DAA	70	490,602	1,241,998	225,741	1,958,341
NMSF	67	401,392	1,016,158	25,050	1,442,600
SRP	99	214,996	1,603,254	14,400	1,832,650
SUN	244	1,908,724	6,137,946	145,200	8,191,870
ZIA	161	1,491,663	7,048,614	83,000	8,623,277
Total	740	4,961,417	18,891,476	655,358	24,508,251
2024 New Mexico Quarter Horse Purses					
Track	Races	Track Purse	Gaming	Contribution	Total
RUI	400	1,039,847	6,268,795	11,149,333	18,457,975
DAA	85	1,119,824	2,834,926	1,394,080	5,348,830
NMSF	94	535,996	1,356,918	14,600	1,907,514
SRP	118	62,450	2,373,691	277,181	2,713,322
SUN	256	1,529,967	5,832,862	839,855	8,202,684
ZIA	149	1,114,088	6,482,410	214,599	7,811,097
Total	1,102	5,402,173	25,149,601	13,889,648	44,441,422
2024 Total Purses from Gaming			44,041,077		

Source: NMRC Annual Reports

Figure 90 New Mexico Racing Commission 2023 Annual Report Purse Distribution

2023 New Mexico Purses					
2023 New Mexico Thoroughbred Purses					
Track	Races	Track Purse	Gaming	Contribution	Total
RUI	149	769,662	2,687,893	287,042	3,744,597
DAA	90	598,802	2,141,298	203,284	2,943,384
NMSF	74	383,984	1,373,116	27,200	1,784,300
SRP	104	407,999	1,952,016	35,400	2,395,415
SUN	245	1,778,421	6,939,723	152,600	8,870,744
ZIA	150	877,932	6,760,906	405,375	8,044,213
Total	812	4,816,800	21,854,952	1,110,901	27,782,653
2023 New Mexico Quarter Horse Purses					
Track	Races	Track Purse	Gaming	Contribution	Total
RUI	389	1,052,808	5,799,357	11,644,257	18,496,422
DAA	91	838,227	2,997,473	1,369,531	5,205,231
NMSF	90	460,886	1,648,114	23,500	2,132,500
SRP	107	440,786	2,197,983	257,438	2,896,207
SUN	253	1,328,911	6,135,946	799,410	8,264,267
ZIA	152	760,210	6,525,240	535,460	7,820,910
Total	1,082	4,881,828	25,304,113	14,629,596	44,815,537
2023 Total Purses from Gaming			47,159,065		

Source: NMRC Annual Reports

Figure 89 and Figure 90 above show the purse distribution by track and by source. The gaming is the largest source of purses but there are significant amounts from the track and contribution (which is primarily horsemen money for futurities and derbies) and other contributions not detailed in the NMRC Annual Reports. The most recent two years 2023 and 2024 the gaming funded \$44 to \$47 million in purses per year.

Considering the NMRC mission and purpose as well as considering Article 1A of the Horse Racing Act **60-1A-4 Commission; powers; duties. Part B** which states “the commission shall **(9)** regulate the size of the purses to be offered at horse races run in the state,” we wanted to look at purse pooling only the gaming funds designed for purses.

The reason to look at the gaming purse pooling besides the above goals, mission, and duties stated was the need to offer more consistent purses between tracks but not take away any incentive of local tracks and horsemen to offer a quality product with full fields that will enhance the purses at those tracks. There should be an incentive of higher purses when a well-run simulcast and live product generates better revenues for the track and horsemen purses where they are generated while the gaming is intended to help the statewide racing and breeding industry. Track purses in 2024 amounted to over \$10 million.

If purses varied too greatly between the designated race meets the race meets would attract different stables that are able to be competitive at the highly different purse levels. This would make the entire circuit less attractive to those that only wanted to or only could be competitive for one meet.

Figure 91 NM Gaming Purse Pooling for the Proposed Circuit

Gaming Purse Pooling - New Mexico							
Gaming Purses		Gaming Purses Split 50/50		Number of Races - Separate Meet NM		AVG Purse/Race - Gaming Only	
	Total	TB	QH	TB	QH	TB	QH
2024 total	\$ 44,041,077	\$22,020,539	\$22,020,539	950	1,157	\$23,192	\$19,041
2023 total	\$ 47,159,065	\$23,579,533	\$23,579,533	950	1,157	\$24,834	\$20,389
Gaming Purses		Gaming Purses Split 55/45		Number of Races - Separate Meet NM		AVG Purse/Race - Gaming Only	
	Total	TB	QH	TB	QH	TB	QH
2024 total	\$ 44,041,077	\$24,222,592	\$19,818,485	950	1,157	\$25,511	\$17,137
2023 total	\$ 47,159,065	\$25,937,486	\$21,221,579	950	1,157	\$27,317	\$18,350

Source: NMRC Annual Reports

Note: Quarter Horses run more races so the average purse will be lower per race.

Not included in the purse amounts above are the following sources for 2024 and 2023:

- 2024 Additional Track Purse Money not reflected above was \$10,363,590 and Purse Money from Contribution not reflected above was \$14,545,006
- 2023 Additional Track Purse Money not reflected above was \$9,698,628 and Purse Money from Contribution not reflected above was \$15,740,497

Figure 91 presents two models: a 50/50 split between breeds and a 55 percent split to Thoroughbreds and a 45 percent split to Quarter Horses. The average purse per race from only gaming funds is based on the 950 Thoroughbred races and the 1,157 Quarter Horse races in the split meet model proposed in this section.

The industry could begin with either split of purses above to begin with, but it is important to monitor with agreed upon metrics (discussed later) and adjust based on the breeds success or lack of progress accordingly. We suggest starting with the 55/45 split to help establish a Thoroughbred circuit and provide incentive to provide the opportunity for success and more races.

Breeding Strategies

Like racing strategies, the goal of the breeding strategies will be for improvement to the current situation. With breeding, adding value to a New Mexico-bred horse through programs and awards improves the potential sale price for the horse through the creation of demand for the New Mexico-bred. Racing opportunities will also enhance the value of the horse and is the purpose of restricted races and suggested cooperative programs mentioned in this section.

As mentioned earlier in the report in the Breeding Benchmarking section, in 2024, New Mexico-bred horses had \$12,978,373.94 in additional money to race for in the form of purse enhancements and Breeders' Awards. We saw that this amount is strong when compared to some surrounding states but is lower than some "like" jurisdictions that are producing more racehorses.

As mentioned in the Racing Strategies, the study for the NMRC stated to look at recommendations "notwithstanding statutory requirements." Therefore, we looked at all options and will address the rules, statutes, and other barriers and how to address those issues at the conclusion of our strategic analysis.

Types of Conditions offered for restricted races

Quarter Horse

As discussed in other parts of this report, the New Mexico Quarter Horse breeders are producing more Quarter Horses than their Thoroughbred counterparts. With a large amount of the purse money focused on futurity and derbies for New Mexico bred and non-New Mexico Bred (open) horses, there is no shortage of horses to fill either nine races a day (or more in some cases) or 18 per week.

In most cases, the restricted overnight races offer purses that are \$2,000 - \$9,000 more than the open races. The amounts allocated follow in line with the purse distribution at each track with Ruidoso Downs and SunRay Park adding less in restricted breed money as compared to Zia Park on the top end. As the bulk of purse money is derived from the statutorily allocated proceeds from gaming, the facilities that have robust casino play also have the higher purse distribution and breed allocation.

When further looking at the conditions offered at each racetrack, there is the additional question about what race conditions to offer as restricted races for the New Mexico-bred. The following table shows what conditions are offered as restricted to New Mexico-bred Quarter Horses at the five racetracks.

Figure 92 Race Conditions Offered for New Mexico Bred Overnight Races – Quarter Horse

Restricted New Mexico Bred Overnight Races					
QUARTER HORSE	ABQ	RUI	SRP	SUN	ZIA
Condition					
Mdn Alw	X	X	X	X	X
Md Clm 20,000			X	X	X*
Md Clm 15,000		X		X	X
Md Clm 12,500				X	
Md Clm 10,000	X	X	X		X
Md Clm 7,500	X**				X
Alw NW2	X	X	X	X	X
Alw NW3+	X	X	X	X	X
Alw NW of a Race or Date	X	X	X	X	X
Alw	X		X	X	X
Clm 25,000 NW2				X	
Clm 15,000		X			X
Clm 15,000 NW2				X	
Clm 15,000 NW3		X		X	
Clm 12,500 NW2	X				
Clm 12,500 NW4			X		
Clm 10,000 NW2	X			X	
Clm 10,000 NW3	X		X		X
Clm 10,000 NW Date					X
Clm 7,500			X		
Clm 7,500 NW2	X**		X		X
Clm 7,500 NW3	X**		X	X	X
Clm 5,000		X		X	
Clm 5,000/6,250 NW1Date				X	

Source: Racetrack reports on races run in 2023 and 2024 from InCompass

*Zia offers a Maiden Claiming \$25,000 Restricted Race

** Albuquerque offers \$8,000 Claiming versus \$7,500 at the other racetracks noted

A quick look at the table, it is evident that there are plenty of offerings for restricted races in overnight races. In addition, there are a few similar conditions offered as restricted at each track denoted in no shading. However, there is also a wider variety of categories offered depending on the track and across different categories as denoted by the blue shading. Sunland Park and Zia Park lead the way in number of categories offered to New Mexico-breds.

Thoroughbred

When looking at the Thoroughbred racing and focusing on the tracks that split the breeds over race days, running two days of straight Thoroughbred races and two days of straight Quarter Horse races, there are generally 18 races offered for a race week. Of these 18 races, six will be restricted to New Mexico-breds, leaving 12 races for the open horses.

Again, in most cases, the restricted overnight races offer purses that are \$2,000 - \$9,000 more than the open races. Similar to the Quarter Horses and due to the same factors regarding casino gaming, when looking at the tracks internal to New Mexico, there is greater disparity in purse distribution. Again, Zia Park raises the average purse per race for Thoroughbreds in New Mexico.

Looking at the restricted race offering for Thoroughbreds by track, there are similar occurrences that stand out in line with the Quarter Horses. Note that Ruidoso is not listed as they will not have Thoroughbred racing in 2025. Again, there are levels, particularly at the higher end, that are offered consistently across the racetracks. There is also a greater range and much inconsistency among the lower-level conditions offered by each track.

Figure 93 Race Conditions Offered for New Mexico Bred Overnight Races - Thoroughbred

Restricted New Mexico Bred Overnight Races					
THOROUGHBRED	ABQ	RUI	SRP	SUN	ZIA
Condition					
Mdn Alw	X		X	X	X
Md Clm 20,000			X		
Md Clm 15,000					X
Md Clm 12,500			X	X	
Md Clm 10,000	X		X	X	X
Mdn Clm 8,000	X			X	
Md Clm 7,500			X		X
Md Clm 6,500				X	
Alw NW2	X		X	X	X
Alw NW3+	X		X	X	X
Alw AOT/NW2/OC	X			X	X
Alw NW of a Race or Date	X			X	X
Alw			X	X	X
Clm 15,000 NW3				X	
Clm 12,500 NW2	X				
Clm 12,500 NW3				X	
Clm 10,000					
Clm 10,000 NW2				X	X
Clm 10,000 NW3			X		X
Clm 10,000 NWYr/NW4				X	X*
Clm, 8,000 NW1 or 2 Date	X				
Clm 7,500 NW3				X	X
Clm 7,500 NW2			X		X
Clm 5,000/6,250	X			X	X*
Clm 5,000/6,250 NW 2	X		X	X	
Clm 5,000/6,250 NW 3	X				
Clm 5,000/6,250 NW2Date	X		X	X	
Clm 5,000/6,250 NW1Date			X	X	X*
STR/OPT	X		X		

Source: InCompass racetrack reports on races run in 2023 and 2024

*Zia offers Claiming \$7,500 at these levels

One item that really stands out is that MORE levels are offered as restricted even though, as previously discussed, there are less New Mexico-bred Thoroughbreds as a population/foal crop but also less races for Thoroughbreds run annually versus Quarter Horses. The offering of more categories/conditions may be a factor in trying to fill the required number of restricted races per day with a smaller population of horses. This can be counterintuitive as a practice and an unforeseen consequence of the three restricted races per day on the “all Thoroughbred” cards.

Therefore, with a limited horse supply, offering more conditions may not be a good strategy. It is important to try to piece together the horse population you have available to create competitive races with strong field size.

For illustrative purposes of the concept regarding race conditions, we look at an excerpt from a textbook called, “Organization and Administration of the Racing Department,” an introductory course for students at the University of Arizona Race Track Industry Program to give them a general understanding of how the racing department operates.

“In general terms the more horses you have in a given category the more options you can offer horsemen. If, however, you have few horses in a category it will become necessary to offer very few options (types of races) in order to have enough horses to fill any one condition that you offer. It will do a racing secretary no good to offer every type of race to make all horsemen happy if none of the races fill with sufficient entries for a race to be used.”

Matrix 1 (Imagine each box below is a race category in your condition book)

Matrix 2 (Now imagine the same thing but you offer many more races in this condition book)

Imagine if you had 250 horses to enter in races. In Matrix 1 above you have 25 options and should average 10 horses in each category. However, in Matrix 2 the same horses will only give you an

average of 2.5 horses in each category. Which result do you think is better for the fans, horsemen, and management?"³⁶

Intertwined with the racing strategy promoting separate or split meets by breed, there is an opportunity to develop consistent conditions offered by breed throughout the calendar year. This reason for keeping consistent levels of races offered for restricted races is two-fold. First, with the split meets, it involves less organization and negotiations between the tracks offering the specific breed to arrive at agreed upon conditions. There are only two tracks running Thoroughbreds for instance so keeping the race offerings consistent is relatively simple. Second, allowing horsemen with NM-bred horses to know the levels they can race at as restricted and the levels they will have to face open horses for the entire season. Conversely, they know that the open races will have a greater likelihood to fill at the levels not being cannibalized by restricted races.

As discussed above, all the tracks offer consistent restricted races for the higher-level horses; however, this is possibly (and probably) at the detriment of the open horse population as we previously observed in the Situational Analysis, it is even more vital for the Thoroughbreds as their population has decreased as well as the number of races each year.

For those higher-level races, one recommendation is to offer the race like many other jurisdictions where the New Mexico-bred horse races for a higher (advertised in the) purse than the open horses. An example of this is:

ALLOWANCE OPTIONAL CLAIMING PURSE \$134,000. (INCLUDES \$55,700 FROM KTDF) FOR FILLIES THREE YEARS OLD WHICH HAVE NEVER WON THREE RACES OR CLAIMING PRICE \$125,000.

Source: Equibase

In the case of this condition example, the Kentucky-bred runs for the full purse and the open horse runs for \$78,300. In New Mexico this could be written in the same manner or that the purse is \$25,000 (\$33,000 for New Mexico Bred Horses). The decision on which way to write it is semantics and whether you want to attract open horses to your program or show the aggregate purse to "brag" about how much it is.

Alterations to the Methodology of Paying Breeders' Awards

There are a few strategic ideas that were recommended in the 2024 Iowa Racing and Gaming Study, also conducted by Racing, Gaming & Entertainment. These initiatives by jurisdiction have had positive results in adding value to the respective home bred horses. We will highlight what could be implemented in New Mexico as well.

Developer Bonus

Creating a developer's bonus is another way to add value for the New Mexico-bred horses. This could be done for both breeds.

The developer is considered the owner of the horse in its first career start. The concept is that the developer often has the largest investment getting the horse ready for the races. If a horse is not a stake

³⁶ F. Douglas Reed, "Organization and Administration of the Racing Department," University of Arizona Race Track Industry Program textbook, 2015

horse, they may often have to run in claiming races. This means the person that invested the most in the horse's early career may not benefit much if the horse is claimed or sold early in its career. Should the owner with the largest investment not have an opportunity to receive value from that investment? A developer's bonus creates added value for that owner. Maryland started this type of program in January of 2021. The program is funded by the Maryland Thoroughbred Purse Account and administered by the Maryland Thoroughbred Horsemen's Association. <https://www.mdhorsemen.com/post/maryland-bred-owner-bonus-program-reinvigorated>.

In 2025, \$600,000 in funding is allocated to the program. For New Mexico, the initial money could come from the amount paid for the owners' bonus as the developer is the initial owner of the horse. How the NMHBA and Industry decide to fund a program like this is for further discussion and development.

Maryland Thoroughbred, MD-Bred Fund

"15% Developer bonus on share of purse for all open overnight races for registered Maryland-bred horses finishing 1st, 2nd or 3rd. Developer is the owner of the horse in its first career start. Bonuses will continue to be paid to the Developer throughout the horse's racing career, regardless of how many times ownership changes, unless the horse changed hands prior to the start of the program on January 22, 2021. Developer bonuses are NOT paid as part of the purse, therefore not reflected in horses' Equibase earnings"³⁷

"A 15 percent bonus will be paid to the developer.... for any Maryland-bred horses that finish first, second or third in an open overnight race at a Maryland track... The developer bonus is not part of the purse and will not be included in the horse's earnings. The bonuses will be paid monthly once the testing of samples is completed and the races are released by the stewards.... It is designed to support the Maryland racing program through the development of weanlings, yearlings and 2-year-olds, thus increasing the number of horses to fill races."³⁸

When speaking with the Maryland Thoroughbred Breeders Association about the Developer's Bonus they have been very happy with the success and impact of the program. One consideration when designing a developer's bonus is what races it should apply to. This may be different for the different breeds. For example, the Thoroughbred program in New Mexico is in greater need of assistance. Perhaps the developer bonus for the first five years of the program is greater than what is earned by the Quarter Horse. If the NMHBA can set aside or find new funding as suggested having the developer's bonus apply to races out of state would add great value to the developer once the horse is sold and the horse competes out of state.³⁹

³⁷ "MD-Bred Fund," Maryland Horse Breeders Association (MHBA), <https://marylandthoroughbred.com/cms/index.php/foals/md-bred-fund/about-the-md-bred-fund> (Accessed May 26, 2025.)

³⁸ "Maryland-Bred Owner Program Launches 'Developer Bonus,'" Paulick Report, January 21, 2021. <https://paulickreport.com/news/the-biz/maryland-bred-owner-program-launches-developer-bonus> (Accessed May 26, 2025.)

³⁹ "Horse Racing Study," Prepared for the Iowa Racing and Gaming Commission, August 12, 2024, by Racing, Gaming & Entertainment LLC, Page 179, <https://irgc.iowa.gov/media/339/download?inline=> (Accessed April 27, 2025.)

Awards when racing out-of-state when no racing occurring in New Mexico

There are a number of states providing awards to horses that race outside the jurisdiction. While this varies from jurisdiction to jurisdiction, in most cases it is either for a stake or higher purse allowance race (promoting breeding better talent) or are available when there is no live racing in the jurisdiction. To provide context we researched some states that already provide incentives for state-breds when racing out of state.

➤ Texas Thoroughbred Association (TTA)

“the TTA has implemented a NEW PROGRAM whereby the eligible breeders of Accredited Texas-bred racehorses placing 1, 2 or 3 in any race in the US (other than Texas) may receive a breeder award.

Awards are payable only on races run outside of Texas when there are NO live Thoroughbred meets in Texas, UNLESS the out of state race is a stakes race with a minimum purse of \$50,000.

The total amount of these breeder awards for calendar year 2020 is \$100,000. Breeder awards are calculated as a percentage of purse money earned for finishing in the top three.

Breeders eligible for 100% awards will receive 11.734% of purse money earned, and those eligible for 50% awards will receive 4.886% of purse money earned. For awards calculation purposes, all individual race purses are capped at \$75,000.”⁴⁰

➤ Louisiana Thoroughbred Breeders Association

“World Wide Breeders Awards paid to accredited Louisiana-breds finishing first, second or third in any race outside of Louisiana on a prorated portion of the \$400,000 annual fund set aside for this purpose.

Out of state breeders awards are paid once a year, usually the first week in February.”⁴¹

A New Mexico-bred incentive program (when live racing for that breed is not available in New Mexico) specifically tied to the circuit that is created will add opportunities and value to all New Mexico-bred foals. To begin a re-allocation of some of the funds (perhaps like what Louisiana has done) is a good start. When the revenue for racing increases because of the better racing product, increases in pari-mutuel revenue and other revenues a percentage greater than 20% of the new additional revenue should be allocated to this program to continue a spiral up effect and add more value to New Mexico-breds.

In conjunction with the creation of a circuit and cooperative state-bred programs there is a great opportunity to create additional signature days for each jurisdiction and create a competitive group of races restricted to horses bred in the cooperative jurisdictions. One could create a modified version of the original Sunshine Millions. A series of races creating a competition between the state-bred programs could be run at both tracks. Depending on the results of a circuit would impact how this series is designed. There could be races for different classes of horses, new wagers designed if prop bets were legalized, if there is an overlap of race meets half the races could be held at each site and endless other

⁴⁰ “ATB Breeder Awards On Out-Of-State Races,” Texas Thoroughbred Association, <https://texasthoroughbred.com/atb-breeder-awards-on-out-of-state-races/> (Accessed May 26, 2025.)

⁴¹ “Incentives,” Louisiana Thoroughbred Breeders Awards, <https://www.louisianabred.com/incentives> (Accessed May 26, 2025.)

ideas that would showcase the breeds, provide an enhanced product, create a signature day or two and have other benefits depending on the design. Another program that was used for years on the east coast, The Match Series (<https://matchseries.com/about/>) could also be modified to fit the new efforts of the cooperating jurisdictions.

Mare Purchase Program

As we saw in the Breeding Benchmarking, the number of Thoroughbred mares bred in New Mexico have declined steadily.

Figure 94 Thoroughbred Mares Bred Regional Comparison

THOROUGHBRED MARES BRED					
	2019	2020	2021	2022	2023
New Mexico	674	655	478	469	488
Indiana	443	462	488	536	425
Louisiana	1101	1122	955	957	911
Oklahoma	656	599	552	506	424
Texas	433	443	445	392	412
Average	661	656	584	572	532

Sources: Jockey Club State Fact Books

In addition, for the Thoroughbreds, the percentage of foals from mares bred is lower than the rest of the comparative region.

Figure 95 Thoroughbred Foals as a Percentage of Mares Bred Regional Comparison

THOROUGHBRED FOALS AS A PERCENTAGE OF MARES BRED					
	2019	2020	2021	2022	2023
New Mexico	57%	56%	70%	61%	55%
Indiana	93%	89%	92%	74%	96%
Louisiana	86%	75%	85%	82%	81%
Oklahoma	67%	75%	66%	77%	71%
Texas	73%	86%	82%	94%	67%
Average	76%	75%	80%	78%	75%

Sources: Jockey Club State Fact Books and RGE

Comparatively, the foal crop of the Quarter Horses has also declined which is tied to the decline in mares bred in the State.

Figure 96 Accredited Racing Quarter Horse Foal Crops Regional Comparison

ACCREDITED RACING QUARTER HORSE FOAL CROPS					
	2019	2020	2021	2022	2023
New Mexico	455	514	478	425	312
Indiana	156	185	197	162	174
Louisiana	1115	1121	1081	937	820
Oklahoma	956	1032	982	974	950
Texas	686	642	726	822	780
Wyoming	158	181	225	165	200
Average	590	613	615	581	539

Sources: NM Horse Breeders Association, Oklahoma Quarter Horse Breeders, Louisiana Quarter Horse Breeders, Texas Quarter Horse Breeders, Indian Racing Commission 2024 Annual Report

With respect to the decline in mares bred for both breeds and the poor production from the Thoroughbred mares, we are recommending allocating breeding funds and developing a program like the one the Province of Ontario, Canada put into place a few years ago. Ontario is the largest producer of Thoroughbred horses in Canada with foal crops around 700 foals annually, placing it in the top 10 jurisdictions in North America. This program will incentivize bringing new mares into New Mexico and potentially solve the percentage of foals from mares bred issue by bolstering the mare population with productive mares.

Ontario’s Mare Purchase Program (MPP) provides breeder incentives to invest in and “ship mare power” into Ontario. Foal mares—purchased for a minimum of \$10,000 (USD), with no maximum price, at a recognized auction outside of Ontario, but produce foals in the calendar year within the province— are eligible for a rebate. The rebate is for 50% of the purchase price up to \$25,000 (CAD) with a limit of \$75,000 (CAD) per ownership group. Mares bred back to a registered Ontario Sire in the subsequent breeding season are also eligible for a \$2,500 (CAD) bonus. The total funding available for this program is up to \$400,000 CAD and will be paid out on a “first come, first served” basis.⁴²

In addition, Ontario also incentivized breeders to purchase new mares at the sales in the province or bring a mare they may have from outside Ontario back into the province. The Mare Recruitment Program (MRP) incentivizes mare owners who bring an in-foal mare to Ontario to foal in 2025. Owners will receive a \$5,000 (CAD) incentive for each in-foal mare brought to Ontario. The mare must not have foaled in Ontario in 2023 or 2024. MRP is for mares purchased at an Ontario Racing accredited sale in 2024 and must have a minimum purchase price of \$5,000 (USD). The MRP has been put on hiatus for 2026.⁴³

⁴²“Mare & Foal Incentive Programs,” Ontario Thoroughbred Improvement Program, <https://tip.ontarioracing.com/mare-and-foal-incentive-programs/> (Accessed June 4, 2025)

⁴³ Ibid

Working with other jurisdictions' breeding programs

Also, in the 2024 Iowa Study there is a discussion on regional breeding programs.⁴⁴ The crux of this recommendation is that there are jurisdictions that have similar caliber horses to New Mexico bredreds that with a concerted effort could combine forces with restricted races and provide more opportunities in a calendar year for New Mexico-bred horses.

Most recently, Thoroughbred Daily News published an article citing California breeders making a plea to look at regional breeding.⁴⁵ In the article, former breeder and vice-chair of the California Thoroughbred Breeders Association (CTBA), Harris Auerbach notes that California is an island in the breeding world and partnering with states like New Mexico (and others) may be one way to expand breeding in the region.

When talking to many stakeholders we asked if the New Mexico state-breds were competitive with other regional state-bred (not all states, or open races but specifically against regional state-breds like AZ, CO, IA, LA, OK, and TS) and in almost all cases the answer was yes. (See Appendix #3 – Stakeholder Interviews.)

There are two ideal jurisdictions to share with, but these are not the only ones. The first is Oklahoma. For both breeds, the New Mexico-bred horses match up well with the Oklahoma-bred. In addition, the racing schedules align well when looking at the proposed Thoroughbred calendar in the Racing Strategy section. New Mexico-bred races could be listed as restricted to New Mexico and Oklahoma-bred horses like this example:

MB/SASK/ND/SD BREDS MAIDEN CLAIMING Purse \$10,000. For MB/SASK/ND/SD BREDS Maidens, Fillies And Mares Three Years Old and Upward.

Three Year Olds 117 lbs. Older 123 lbs.

CLAIMING PRICE \$10,000

FIVE FURLONGS

Source: Equibase Condition Books, Assiniboia Downs

Texas is another possibility, but the racing schedules do not match up as well and thus it will be necessary to negotiate the schedule for the various racetracks, and the Texas-bred Quarter Horses are arguably better than the New Mexico-bred although the Thoroughbreds are closely matched. (*Other jurisdictions could also be considered if an alternative Thoroughbred calendar as suggested is adopted.*)

The other jurisdiction that fits from a schedule standpoint and proximity is Arizona. As of this report, RGE understands that discussions are underway with the breeders in Arizona to work towards collaborative initiatives. As mentioned in the Situational Analysis, Arizona makes sense to work with, but the long-term status of Turf Paradise may be a threat to collaborative efforts.

⁴⁴ "Horse Racing Study," Prepared for the Iowa Racing and Gaming Commission, August 12, 2024, by Racing, Gaming & Entertainment LLC, Pages 174-175, <https://irgc.iowa.gov/media/339/download?inline=> (Accessed April 27, 2025.)

⁴⁵ <https://www.thoroughbreddailynews.com/what-would-encourage-californias-breeders-to-breed-more-cal-breds/>; Accessed June 13, 2025

Cooperative breeding programs would add value and opportunity for each state's foals. It also compliments the other strategy of creating a calendar and circuit for the racing stables to have more opportunities annually. Through the added racing opportunities and eligibility for additional restricted races, the cooperative or "regional" breeding program will add value to the state-bred foal. With higher value, the price the horse sells at auction could be higher with greater demand and that can lead to more horses being bred within the state to meet that demand.

There is also precedent in the U.S. for offering race conditions restricted to just a few different state-breds. For example, Minnesota (Canterbury Park) and Iowa (Prairie Meadows) offered races restricted to Minnesota and Iowa registered foals. Years ago, on the east coast there was the Tri-State Futurity for Maryland, Virginia, and West Virginia foals. The need for this type of cooperative effort is more important now than any time previous. The horse supply is a major issue if horse racing wants to continue to offer a reasonable number of racing opportunities and at the same time provide a product appealing to the public.⁴⁶

When Arlington Park was racing in the last decade, the racing office, in order to fill the higher-level restricted maiden and allowance races, also included horses bred/foaled and registered in other states. Working with the states of Arkansas and Louisiana, the restricted races were written for Illinois, Arkansas and Louisiana-bred horses. Arlington did this to help add horses to the restricted races and attract stables with those types of horses to Arlington Park. As previously discussed, New Mexico is in a highly competitive region and providing opportunities for regional horses can be attractive to owners and stables within the region while enhancing opportunities and the overall product at New Mexico racetracks.

In the case of Arlington Park, the three-state restricted races were well received by horsemen as they noted it provided more opportunities for them and the horses bred in the three states were competitive with one another. Additionally, the Arkansas breeders were considering adding money for their horses in those races. Unfortunately, Arlington Park was sold for land use and has since been razed so that program never was brought to fruition.

Lastly, Maryland and Virginia are going forward with a partnership for combined stakes in 2025 and 2026. As part of the cooperative effort between Maryland and Virginia, multiple stakes from June 2025 through March 2026 will be for both Maryland-bred or -sired and Virginia-bred or -sired horses.

The stakes will be run at Laurel Park and Colonial Downs. The annual Maryland-bred stakes program, valued at the usual total of \$1.05 million, now will combine with \$750,000 from the six Colonial Downs stakes to create an overall \$1.8 million restricted stakes program. Colonial is providing \$750,000 in purse money for its stakes.⁴⁷

⁴⁶ "Horse Racing Study Iowa Racing and Gaming Commission, August 12, 2024" pg. 175.

<https://irgc.iowa.gov/media/339/download?inline=> (Accessed June 5, 2025.)

⁴⁷ "Maryland, Virginia Combine on State Bred Stakes Schedule"

<https://www.mdhorsemen.com/post/maryland-virginia-combine-on-state-bred-stakes-schedule-2> (Accessed June 5, 2025.)

Katherine Voss, Maryland Thoroughbred Horsemen's Association President, noted:

"This program came out of the initial discussions to work on coordination of schedules in the region," Voss said. "With Laurel being dark in July and August, we had some stakes but no place to squeeze them in. Colonial is thrilled with the merging of Virginia-bred races with our Maryland-bred races."

*"It all seemed to make sense," Voss said. "We were told by state leaders to consider coordinating racing in the region. When I spoke to Boyd Browning of Fasig-Tipton, he said it would be important for parties to get together to develop regional programs to combat the rapid growth in the Kentucky program (largely from historical horse racing revenue)."*⁴⁸

Further emulate Louisiana programs and policies

Lastly, we looked at Louisiana in the Breeding Benchmarking section of this report. Perhaps the closest competing jurisdiction with both Quarter Horse and Thoroughbred racing that follows a similar modern era start to New Mexico as it relates to the introduction of gaming at the racetracks, horse racing, and breeding in Louisiana can provide some insight into areas where New Mexico can improve the current situation of foal crops and breeding. With year-round Thoroughbred and Quarter Horse racing at four racetracks, Louisiana has thrived since gaming came to the Pelican State in 1997.

As we saw in the Breeding Benchmarking section, Louisiana is fifth in Thoroughbred foals born annually and is also producing many Quarter Horse foals. True, there have been some declines in the numbers of foals for both breeds but except for Kentucky on the Thoroughbred side and Texas/Oklahoma on the Quarter Horse side that have seen rather minimal decreases, Louisiana has maintained their standing on the national level for the past decades.

One comparative measure that is the same between the two states is the number of restricted races per day. In Louisiana 3 RACES PER DAY offered for accredited Louisiana breeds at each track each day in Louisiana. (It should be noted that the Thoroughbred Louisiana foal crop is 2.75 times larger than the New Mexico Thoroughbred foal crop.)

Louisiana's breed incentive program⁴⁹ promotes breeding in general, but they also focus on incentivizing people to breed to Louisiana based stallions as well as base their mares in Louisiana. However, the program does award Louisiana-bred foals by non-Louisiana stallions and

- 25% Breeders' Awards paid to accredited Louisiana breeds sired by a Louisiana based stallion finishing first, second or third in any race within Louisiana (purse capped at \$200,000).
- 20% Breeders' Awards paid to accredited Louisiana breeds sired by out of state stallions finishing first, second or third in any race within Louisiana (purse capped at \$200,000).
- 25% Breeders' Awards paid to accredited Louisiana breeds sired by a Louisiana based stallion finishing first, second or third in any stakes race (purse capped at \$200,000).

⁴⁸ Ibid

⁴⁹ "Incentives," Louisiana Thoroughbred Breeders Awards, <https://www.louisianabred.com/incentives> (Accessed May 26, 2025.)

- 20% Breeders' Awards paid to accredited Louisiana bred sired by out of state stallions finishing first, second or third in any stakes race (purse capped at \$200,000).

Louisiana does run quite a few stakes and futurities for money greater than \$200,000 but wants to see the money spread over many horses rather than be earned by a few. This cap could be set at any level in New Mexico. The methodology behind this portion of the program is to promote breeding to a Louisiana stallion by providing the highest percentage of awards to that foal that is by an accredited Louisiana stallion. However, by allowing horses to breed to out-of-state stallions and foal in Louisiana, they promote utilizing mares to improve the quality of horses accredited as Louisiana-bred.

- **10% Breeders' Awards paid to foals out of non-resident mares sired by a Louisiana based stallion finishing first, second or third in any race in Louisiana.**

This promotes mares in other jurisdictions breeding to Louisiana stallions. This is a bit different in that it incentivizes breeding to Louisiana stallions when the breeder may live and race in another state. Potentially, say if the horse is foaled in Texas, the foal is eligible for Texas incentives as well as earning 10% for the breeder that opted to send the mare to a Louisiana stallion. As breeding horses has a large economic impact, it is strategically important to offer many ways to stimulate that impact.

- 9% Breeders' Awards paid to foals out of non-resident mares sired by out of state stallions finishing first, second or third in any race in Louisiana.
- 9% Breeders' Awards paid to foals out of Resident Mares that are sired by out of state stallions and the mare is bred back to an out of state stallion.

Again, while not as great of an incentive amount, these two 9% awards do give financial incentive to improve the overall bloodlines by breeding outside the state. Without getting too deep into the scientific reasoning behind this, the Louisiana Breeders' Award incentives show recognition that promoting breeding within the state is most preferred and keeping the blood lines diluted is also important for the vitality of the breeding industry.

Lastly, as previously mentioned, Worldwide Breeders Awards paid to accredited Louisiana bred sired finishing first, second or third in any race outside of Louisiana on a prorated portion of the \$400,000 annual fund set aside for this purpose.

On the Quarter Horse side, Louisiana provides the following⁵⁰:

MARE AWARDS

Breeders (owner/lessee of the mare at time of foaling) of Accredited Louisiana Bred foals receive breeder awards from the State of Louisiana, Louisiana State Racing Commission, or the Louisiana Quarter Horse Breeders Association (LQHBA) when their Accredited Louisiana Bred Quarter Horse finishes first, second or third in an Accredited Louisiana Bred race or an open race in Louisiana. MARE AWARDS are NOT paid in OPEN STAKES Trials OR in OPEN STAKES. The 2021 Louisiana Million and future

⁵⁰ "Louisiana Bred Incentives"

<http://www.lqhba.com/default.asp?section=2&area=Breeding&subarea=Incentives> (Accessed May 29, 2025.)

Louisiana Millions will pay Mare Awards at 25% on places 1, 2 & 3. Mare Awards will NOT be paid on horses placing 4th – 12th in any race.

STALLION AWARDS

Stallion owners whose stallions have sired Accredited Louisiana Bred offspring that finish first, second or third in Stakes, Handicap, Allowance & Trial races in Louisiana earn stallion awards. (Maiden & Claiming races are not considered). Stallion awards are paid after the end of the breeders fund fiscal year, June 30. Awards are paid by the Louisiana State Racing Commission and the LQHBA.

The amount of each stallion's award is directly proportional to the amount of money his offspring earn in the fiscal year of July 1 - June 30.

In 2021, Stallion Awards are approved at a \$250,000 payout.

Additional Strategies/Tactics

ADW

As discussed in the Situational Analysis, New Mexico has lost handle and revenue due to the migration of wagers to the convenience of new technology. We believe as evident from data in the analysis that ADW is not expanded gaming as much as it has provided a convenience for some or for other customers, they were forced to open an account during the Covid-19 pandemic due to the "spectatorless" racing or closure of tracks during this time. The increase of 53 percent in pari-mutuel ADW handle at the Oregon Hub in Figure 58 in the Situational Analysis is a good demonstration of the shifting dollars

Furthermore, in consideration of marketing the sport in New Mexico and drawing on the Five "Ps" of marketing where "Place" is one of the five, the "Place" where people consume horse racing from a wagering standpoint is now online through ADW. For New Mexico racing to not be available through the ADW channel in New Mexico is contrary to the principles of the Five "Ps." This is in conjunction with the fact that ADW platforms are taking wagers from New Mexicans disruptively and at the detriment to New Mexico horse racing as a whole.

The source market fees New Mexico could collect if ADW were permitted could be used in multiple ways to help the industry. While legalizing ADW in New Mexico is not a panacea it will provide some lost revenue that could be used to help with the high costs of racing. Fees could offset regulatory expenses, earmarked for new breeders' incentive initiatives that may be part of recommendations, used to offset costs that currently are temporarily being covered but have led to controversy between stakeholders or other legislated and agreed upon ways to help the industry remain economically viable. New Mexico should look at how other states regulate ADW, what fees are mandated and the various ways those fees support the local state horse racing industry. Depending on the amount from source market fees the industry can gain, some of the funds would make a good source of revenue to enhance testing and making sure the New Mexico industry is aligned with best practices in integrity and safety policies.

Handicap Rating System

A new venture by Equibase that began with a group of racing people working on a new rating condition system will likely be beta tested in Q3 2025 in another jurisdiction or two. This system is modelled after some race conditions in European and Asian racing countries where they do not use the system of a claiming price to determine levels for horses. Instead, horses are rated by performance and given a

number where 100 is a very good horse and 50-60 is a lower-level horse. As is evident in the countries that adopted this system, this would make for more competitive races while not risking the horses in claiming races, which may be less desirable from the competitive point of view of the owner and trainer as they struggle with the possibility of losing a horse to a claim to run it where it is competitive. This does not mean there is an entire elimination of claiming races either as different options such as optional claiming or ratings handicap could be available for a claiming price and part of new race conditions. The rating system will be calculated algorithmically and transparently.

The new system will assign the number ratings for horses. Horses will get ratings after three starts or if they win one of their first two starts, they get rated. More information will be available to the public later this year. We felt it was worth mentioning the possibility that if successful in the testing, it would likely alleviate some concerns about parity when establishing a multi-jurisdiction state-bred program. It could also help fill competitive races if used for other categories, giving both owners and trainers better confidence a race will “go” as well as their horse being competitive in that race. Again, more competitive races promote higher handles, create more opportunities, and may grow the horse population.

Marketing

Given the large scope and timeline for this study it is not feasible to complete a full marketing study for the New Mexico industry. However, RGE in August 2024 completed a study for the Iowa Racing and Gaming Commission which contained several marketing related questions, and we believe New Mexico could adopt or modify to fit their market.

There were two marketing related questions in the Iowa Study: “What marketing strategies should be employed to promote the race meet and increase attendance? and Who should be responsible for any additional marketing strategies employed?”⁵¹

The Iowa study considered ideas for marketing the import simulcast, the export simulcast, and live racing. While not every recommendation in that study may be applicable to New Mexico we do believe there is enough valuable content in that section to be worth discussion among New Mexico stakeholders.

Two ways to consider positioning the live racing product were discussed in the Iowa study and those two would not necessarily have to be mutually exclusive but could be combined in unique ways. One was to focus on fun and entertainment like minor league baseball, while the other strategy was to focus on the wagering, skill, competition and giving the live racing customers ways to better compete with professional bettors. The second strategy also suggests positioning horse racing as a skill-based game and the only one in Iowa (*New Mexico*) that you do not play against the ‘house’ but against other customers.⁵²

Besides offering suggestions on unique ways to help the live on-track wagering customers on track compete better with the skill-based game several ideas for signature days or themes were suggested in the Iowa Study.

⁵¹ “Horse Racing Study,” Prepared for the Iowa Racing and Gaming Commission, August 12, 2024, by Racing, Gaming & Entertainment LLC, Pages 104-121, <https://irgc.iowa.gov/media/339/download?inline=> (Accessed June 2, 2025.)

⁵² Ibid page 111.

Regarding the second marketing question in the report, RGE feels it should be a cooperative effort by stakeholders to market the racing, breeding, owning, wagering, and all aspects of the sport. Just looking at the map of owners and trainers, Figure 65 and Figure 66 in the Situational Analysis, there is the potential for many in the region to help promote a visit to a live race venue in New Mexico. Other ideas for cooperative efforts were also suggested in the Iowa study.⁵³

Safety, Welfare Recommendations

As stated in the situational analysis, the testing, and participant safety were not a focus of the study, but it should be noted that it is expected the highest standards and best practices regarding these matters should be practiced and adhered to.

If well planned strategies are implemented but the lack of stringent integrity and safety standards lead to stakeholder's and the public's lack of confidence in the product, negative publicity, and an unlevel playing field it will have significant negative impact on any positive changes implement to improve and sustain the horse racing and breeding industry in New Mexico.

Therefore, we feel as suggested in the Situational Analysis that there needs to be efforts to make sure funding is allocated and the best practices are followed. We suggest looking at Wyoming's efforts in 2024 to change their rules to be more consistent with today's best practices.

In addition, The Wyoming Gaming Commission authorized an independent team to inspect and provide safety reports for all their tracks that included both the track surface, barn area, and human participant areas and provide an inspection report. The report also examined the Association of Racing Commission International's (ARCI) Model Rules⁵⁴, HISA rules⁵⁵, and the state's current rules to make recommendations regarding any suggested modifications. The reports issued to the Wyoming Gaming Commission did focus on aligning Wyoming rules and requirements for safety and welfare with the rules of ARCI and HISA. With the changes in rules Wyoming implemented in 2024, the Wyoming industry is not too far from meeting the criteria set out by HISA.

"The Wyoming Gaming Commission is spending time, energy, and resources modernizing the rules of racing in Wyoming. With the ARCI model rules and the newly promulgated HISA rules as guidelines, Wyoming horse racing rules are in the process of aligning with industry standards."⁵⁶

Discussion of regulatory tactics to enable changes to enhance the racing/breeding industry in New Mexico

There are several regulatory changes we believe are important to amend to provide the industry more flexibility given the challenges facing the racing and breeding industry in New Mexico. Knowing that the competitive environment constantly will present challenges, it is important to build in flexibility but at

⁵³ Ibid pages 119-121

⁵⁴ ARCI Model Rules, https://www.arci.com/docs/2024-08-16_MASTER_MODEL_RULES_VERSION_13.1.pdf (Accessed June 6, 2025.)

⁵⁵ HISA Rules, <https://hisaus.org/regulations> (Accessed June 6, 2025.)

⁵⁶ "Wyoming Gaming Expansion Study, Spectrum Gaming Group, Prepared for the Wyoming Gaming Commission, November 15, 2024. <https://spectrumgaming.com/wp-content/uploads/2024/11/spectrum-report-for-wyoming-gaming-commission-11-15-24.pdf> (Accessed June 6, 2025.)

the same time offer some assurances that one stakeholder group would not use the law/rule to their advantage without some built in safeguards.

If separate meets are agreed upon regardless of the first attempt at such a calendar of racing with that type of change, if two tracks (one Thoroughbred and one Quarter Horse) offered racing at the same time the current regulations were designed for mixed meets and need change and flexibility to allow the industry to adapt to a model that will be able to adjust to metrics and a changing environment.

With two tracks running at the same time, it helps solve some problems, but the existing regulations may prevent success. As an example, with the current model/rules some tracks currently offer two days of Thoroughbred and two days of Quarter Horse racing which would mean you may offer/have six New Mexico bred races (NMAC 15.2.3.8 C 4 (e)) for each breed. However, if you had two separate meets running a three day a week scheduled simultaneously forcing nine New Mexico bred races during that week for each breed (18 total NM Bred races instead of a current 12) it would have two negative impacts. First the supply of New Mexico breds is down and more New Mexico bred races per week would create a more inferior product with reduced field size. Second it would also discourage stables with non-New Mexico breds from racing in New Mexico as even less opportunities would be available for their horses. We believe that with initial separate meets offered the suggested three races for New Mexico state-bred races should be applied weekly in total for both breeds (example with simultaneous Thoroughbred and Quarter Horse meets have only a total of 9 weekly if both meets offer three days of racing or 12 weekly if both offer four days of racing, in other words the same as currently the policy).

Another current constraint is you cannot build the Thoroughbred racing back in New Mexico immediately and it will take time and tactics to support the changes with the hope that in time the metrics show positive trends, and you can offer even more opportunities. The data suggests that to be successful with a Thoroughbred meet we believe the first year should start with a three day a week schedule. In one combination of the calendars presented there would be no racing in December and that would require regulatory changes as well.

There are two ways to consider changes to the **statute 60-2E-27** regarding the number of live race days. One method would be to add a contingency that allows the NMRC to allow less race days per week as needed whenever there are more than 200 days offered in a calendar year, otherwise the current regulations apply to protect the stakeholders that fear a massive reduction from the status quo. The other method would be to allow three days a week for all tracks when there are split meets (and possibly a minimum number of combined race days per year) but put a sunset requirement on it to be reevaluated in 5 years giving split meet models the time to improve and grow opportunities for racing.

The current **statute 60-1A-2** Definitions of race meet we believe allows for the very short gaps we proposed in the split meet calendars and such small gaps only help with the stables having to move to the new facility and as noted in the strategic recommendations there are considerably more racing opportunities with the new circuit.

In **2025 SB 238** failed to pass and one aspect of that proposed law we feel if that were approved would be advantageous for all stakeholders. We also believe that perhaps the reason the bill failed to pass is that it had other much more controversial changes attached to it that, as written, would prevent passage.

In our proposed split meet calendar and in most any modification of such calendars we believe it is helpful to the horsemen and tracks to permit the SunRay Park meet to be run at Albuquerque. This would eliminate one very short meet that many horsemen do not prefer and with proper placement of dates can extend a race meet and eliminate another move for stables. At the same time, it does help the track(s) in question to reduce costs. If more opportunities, less moves, and costs can be reduced we see that as a “win-win.” A new bill passed that is very specific and written so it is specific to the needs and tracks involved can help. Without other more controversial addendums this should get support from all industry stakeholders, which we hope helps facilitate its passage.

Breeders’ Awards are found in statute **60-1A-24**, and this is where language could be added to identify the amount of funding for the recommendations in the Breeding Strategies section. While the payment of awards to New Mexico-bred horses racing out of state and the Developer Bonus may be more of a rule change and/or policy change within the NMHBA, the Mare Purchase Program could use an allocation of funds codified in the statute. As the statutes all sunset in a given period (2027 is the next sunset year), this mechanism ensures that a program can be tested and monitored for a period of time to give it a chance for success or allows the same mechanism to scrap a program that is not producing.

Metrics

An important business principle attributed to Peter Drucker, American management consultant, educator, and author is the quote “you can’t manage what you don’t measure.” Another quote often attribute to him is “If you can’t measure it, you can’t improve it.” This principle is why if you are going to make changes and work to improve the racing and breeding in New Mexico you must establish transparent metrics that will be monitored and used moving forward to measure success, allocate resources, and modify racing parameters.

Once established metrics are agreed upon, while they should be measured continuously, evaluating every 3-5 years would allow for averages overtime to be fair when adjustments are made and account for anomalies in data one year due to unusual circumstances. It would also provide time to see if changes have some impact and success, especially considering the breeding industry and the time it takes for those changes to impact the racing side of the business.

A method such as this should be very transparent but also create accountability and provide incentives for efforts made by stakeholders in achieving the goals. The metrics and methods used to evaluate should be communicated in advance to stakeholders so that efforts can be made to create a positive change. This should create market incentives to improve since the changes made, and allocation of resources would be performance dependent. All stakeholders must be accountable.

Another reason to create and monitor metrics is the interrelatedness of factors and there are many outside forces that will impact the changes New Mexico implements. Changes such as developments in competing jurisdictions, reactive changes by competitors, the impact your decisions have had, and normal political, environmental, economic and technological changes that impact the racing and breeding industry.

Measuring metrics continuously will help with decisions regarding potential expansion or contraction of race days, races, breed specific adjustments, and other important industry efforts to improve.

If you have separate race meets it is also easier and fairer to measure each breed with equal but appropriate metrics. For example, the Quarter Horse pari-mutuel handle most likely will always be less than the Thoroughbred handle especially if the product is exported. If run as a separate meet, the Quarter Horse handle can be benchmarked against other similar track's Quarter Horse handle and the total national handle for Quarter Horses.

It is not the intention of this study to dictate what metrics the New Mexico industry chooses but to stress the importance of having a balanced set of metrics that are clearly tied to the changes and the behaviors and outcomes you desire to improve the industry.

RGE believes that the New Mexico racing and breeding industry must consider several main drivers that need to be evaluated on an ongoing basis. They are economic impact & financial metrics, demand metrics, and supply side metrics. In addition, given the changing social environment discussed, lawmakers concern, and industry interests, high standards must be maintained for the safety and welfare of participants and metrics for safety need to be added.

Those drivers and metrics must be evaluated and monitored and used to guide decisions on many industry parameters including but not limited to the number of races, race days/meets, purse and breeder allocations, even efforts to drive legislative changes necessary to succeed. We also believe New Mexico policy makers will appreciate the goal to improve metrics as well as the important data those metrics provide policy makers in decision making.

We will now look at the three basic categories of metrics, but it is important to keep in mind the interrelatedness of the metrics and impacts across various measurements. The categories may be somewhat arbitrary as to how we categorize since some will have impact on various categories. For example, demand metrics will impact financial and economic ones. Supply metrics will impact demand and economic metrics and so on.

Each section below lists and discusses important metrics to consider as the industry strives for improvement.

Economic Impact and Financial Metrics

- The number of licensees participating by category – jobs are important factor in assessing economic impact generated by the industry and give some indication of the supply side of the business indicating changes in the number of owners, trainers etc. participating.
- Periodic economic impact study results.
- Economic impact by breed done on a somewhat continuous basis may be one factor to consider when making decisions on how to divide purses for each breed.
- The commissions/revenue derived by all components of handle for each stakeholder (by track, for purses, breeders, commission, etc.) and broken down by source (live races, export, import, new sources like ADW if approved, etc.). This metric should also be segmented by breed, Thoroughbred and Quarter Horse.
- The revenue generated by other gaming sources for each stakeholder.
- Other economic factors that may be considered are race days, training days, racetrack expenditures, any employees not licensed if applicable, purses, earnings per starter and per unique horse and breeders' money awarded. In addition, measure the amount/percentage of the various earnings/award to in-state residents.

- There are many other metrics listed below in the demand/supply metrics that have an important impact on the economy but to avoid redundancy we will list them below. Examples that have significant impact on the economy include the number of foals each year, number of unique starters and others.

Demand metrics

Note: The handle has been a metric universally used to measure the demand customers have for horse racing.

- Gross handle on live races, export, import and all sources by breed.
- Gross wagering commissions to racetracks, purses, NMRC and all other commissions recipients.
- Average handle per race by breed (use only single race handle to avoid skewed data using multi-leg handle).
- Handle by track, by breed, day of week, by betting interests, WPS per race, single race exotic wager per race, handle per trainer, etc.

Supply metrics

Note: many supply metrics have a direct impact on economic impact thus important to both measurements. Also, from the results of this report and other studies, RGE observed that the foal crops of the horses that are 2-, 3-, 4-, and 5-year-old (the four-year foal crop total) for the upcoming year is a significant indicator of the supply, and those numbers are available before the number of races and race days need to be approved.

- New Mexico and national foal crops by breed by year.
- New Mexico total foal crop of the 2-, 3-, 4-, and 5-year-old horses to race in the upcoming year. (interrelated with economic impact) (four-year foal crops)
- National total foal crop of the 2-, 3-, 4-, and 5-year-old horses to race in the upcoming year.
- Licensed owners and trainers by year. (interrelated with economic impact)
- Average field size and average field size by breed. (interrelated to demand metrics)
- Number of starts and unique starters by breed. (interrelated with economic impact)
- Number of races and race days by breed. (interrelated with economic impact)
- Number of mares and stallions (interrelated with economic impact)
- Percentage of NM state-breds entered in all races total, by breed and also in open races
- Percentage of state-bred races to total races and by breed
- Number of New Mexico breds winning in open company in-state and out of state.
- Average sale prices of New Mexico breds by age.
- If any new awards, bonuses etc. are adopted/tested because of this study the results should be measured
- Monitor how many races/race days are in competition with New Mexico races/race days. Significant changes in other tracks competing for horses will also impact available inventory.

Safety metrics

Note: besides safety being a mandate for the NMRC, clearly given the evolving society attitudes toward animals and their care and the spotlight on the industry safety/welfare of all participants is critical.

- An annual or biennial safety reports for both the track surface, barn area, and human participant areas conducted by an independent qualified team. (The Wyoming Gaming Commission is a good example of a regional jurisdiction that not only modified their rules to enhance safety and be more consistent with other jurisdictions (and HISA), but they also initiated a “Racetrack Safety Inspection” report for each of the three racetracks currently conducting live racing. Those reports were comprehensive covering all areas for racing participants.)
- Measure alignment or safety, welfare, and integrity rules across all breeds and all tracks. What differences exist between breeds and tracks and measure efforts and results to create alignment.
- Injury database reports by breed, by track, by month, include weather/track condition, and race conditions (or morning training) by accident. Data should include the number per starter and per race.

Adopting metrics is important to measuring success of changes as well as providing data to assist in amending efforts in an environment that is constantly changing and always impacted by outside forces, competitors, and the economic, social, political, and technological environments.

Two jurisdictions in Canada, Ontario and Alberta have systems of metrics in place and can provide further insight as New Mexico develops metrics suitable and congruent with the changes and strategies moving forward.


Ontario’s fiscal year 2023-24 Q2 performance results are outlined on the Ontario Lottery’s Gaming government agency website:

<https://about.olg.ca/wp-content/uploads/2024/01/Ontario-Horse-Racing-Industry-Performance-Results-FY-2023-24-Q2-English.pdf>

Horse Racing Alberta’s 2023 Annual Report gives some insight into their performance measures and the agency has additional information available. The 2023 Annual report at thehorses.com website:

<https://www.thehorses.com/files/2023-hra-annual-report.pdf>

Figure 97 Horse Racing Alberta Metrics for 2024

						
2024 Race Day Performance Metrics and Targets by Racetrack Class and Breed		Metrics		Targets		
		Races/ Day	Starts/ Race	Race Days	Total Races	Total Starts
"A" Racetrack Thoroughbred Race Days		7.5	7.5	60	450	3375
"A" Racetrack Standardbred Race Days		7.5	7.5	83	623	4669
"A" Racetrack Quarter Horse Race Days		7.5	7.5	0	50	375
"B" Racetrack Thoroughbred/Quarter Horse Race Days		6.5	6.0	49	319	1911
"B" Racetrack Standardbred Racing		6.5	6.0	17	111	663
GrandTotals				209	1552	10993
2024 Race Day Performance Metrics and Targets by Racetrack and Breed		Metrics		Targets		
		Races/ Day	Starts/ Race	Race Days	Total Races	Total Starts
Century Downs Racetrack and Casino	Thoroughbred	7.5	7.5	0	0	0
	Standardbred	7.5	7.5	62	465	3488
	Quarter Horse	7.5	7.5	0.0	0	0
	Total			62	465	3488
Century Mile Racetrack and Casino	Thoroughbred	7.5	7.5	60	450	3375
	Standardbred	7.5	7.5	21	158	1181
	Quarter Horse	7.5	7.5	0	50	375
	Total			81	658	4931
Total "A" Racetracks				143	1123	8419
Rocky Mountain Turf Club		6.5	6.0	32	208	1248
Evergreen Park		6.5	6.0	16	104	624
Millarville		6.5	6.0	1	7	39
Track On 2		6.5	6.0	17	111	663
Total "B" Racetracks				66	429	2574
GrandTotals				209	1552	10993
Thoroughbred/Quarter Horse Race Days		7.5	6.9	109	819	5661
Standardbred Race Days		7.3	7.3	100	733	5332
GrandTotals		7.4	7.1	209	1552	10993

Source: Horse Racing Alberta

While the industry should form a consensus on what metrics are best to use for various monitoring and accountability, we will give an example.

Key decisions that would need to be made three to five years after implementing a proposed calendar as recommended in the strategic plan along with pooling and dividing purses between breeds. How to adjust after the changes are given ample time to show results should be based on solid data. The industry should decide on key metrics that are tied to the performance of the changes made.

We have demonstrated that the 4 years or 5 years of foal crops are a great indicator of the supply of horses (see Figure 62 and Figure 63 in the Situational Analysis) before you need to make decisions about the number of race days and races. We also know that looking at the supply metrics that field size, starts, and unique starters give a good indication of the horse supply to the number of races run. Therefore, we suggest these are some of the key metrics that should evaluate the racing calendar and division of purses and reward improved performance to help further the positive developments or adjust accordingly if supply is insufficient to produce a good product. You may also want to include a key demand metric such as handle compared by breed to the performance by track since those revenues help enhance the purses at each individual track. We would strongly urge safety metrics to be included in this type of decision moving forward as there needs to be accountability regarding both the quality of the product as well as the safety and welfare of participants.

Part Three - APPENDICES

Appendix #1 - Migration Maps

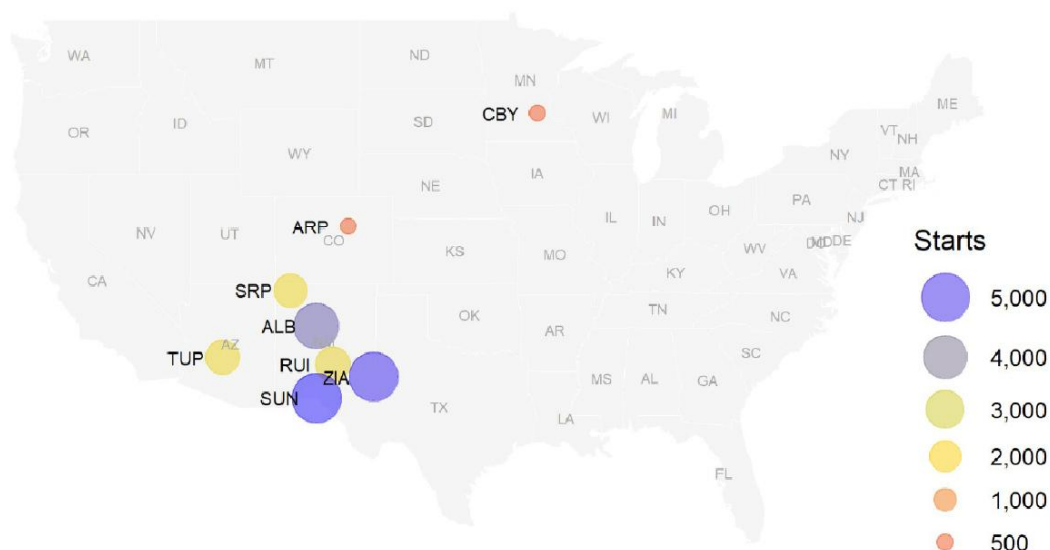
Methodology

The source for all the migration maps were the 2021-2024 Daily Racing Form Charts and RGE. Each map was created by looking at the smallest group of trainers that generated 80 percent of the starts in the given time frame and had at least a certain number of starts. We did not want to include trainers that only made a few starts because they could represent trainers that may have just shipped in for a few stakes but race primarily in many other jurisdictions. Including those trainers would skew the maps and make the data less relevant to the study and its purpose.

Migration Maps for all four years for all New Mexico tracks combined (Source for all migration maps: DRF Charts and RGE)

Figure 98 Migration Map NM Thoroughbred Trainers 2021-2024

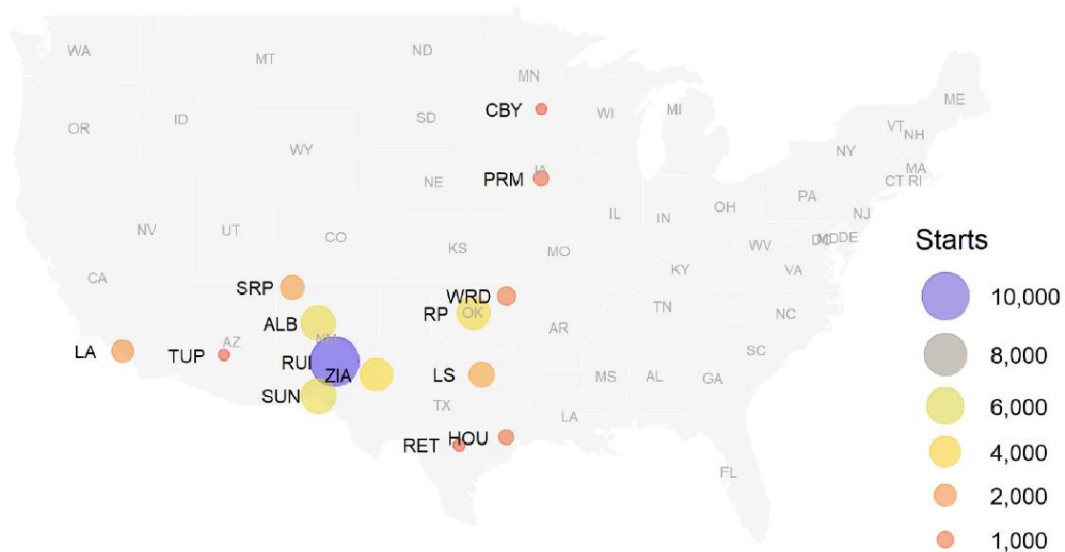
Top New Mexico Thoroughbred Trainers - 2021-24 Starts by Track



Top NM Thoroughbred trainers defined as smallest group to generate 80 percent of NM Thoroughbred starts in 2021-24. Limited to racetracks where top NM Thoroughbred trainers had at least 400 starts in 2021-24.

Figure 99 Migration Map NM Quarter Horse Trainers 2021-2024

Top New Mexico Quarter Horse Trainers - 2021-24 Starts by Track



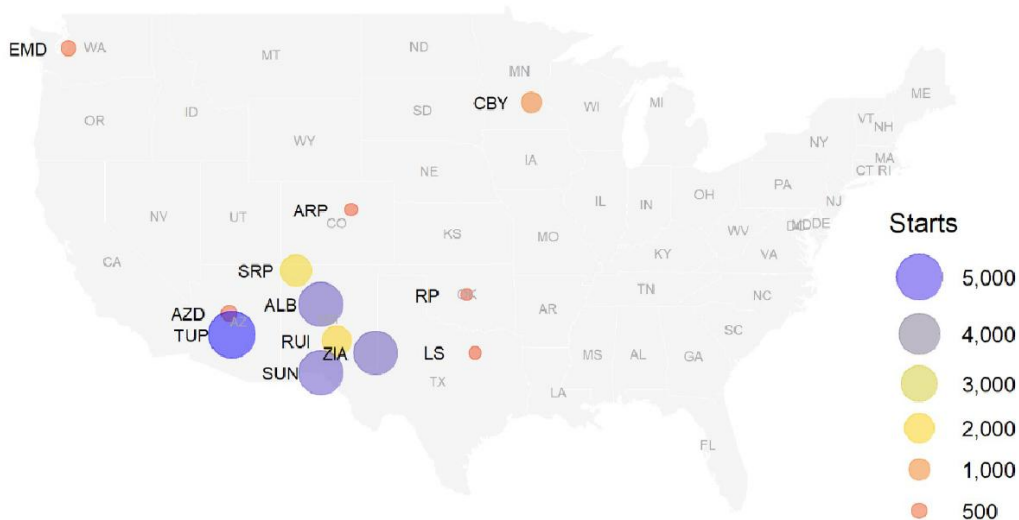
Top NM Quarter Horse trainers defined as smallest group to generate 80 percent of NM Quarter Horse starts in 2021-24. Limited to racetracks where top NM Quarter Horse trainers had at least 400 starts in 2021-24.

Migration Maps for each individual New Mexico Track

Albuquerque

Figure 100 Albuquerque Thoroughbred Trainers 2021-2024 Migration Map

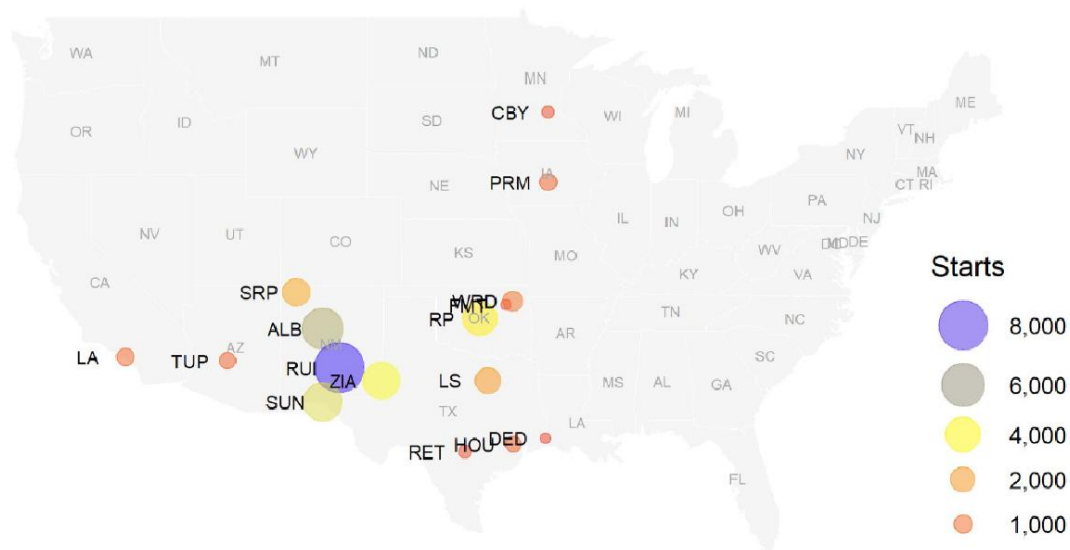
Top ALB Thoroughbred Trainers - 2021-24 Starts by Track



Top ALB Thoroughbred trainers defined as smallest group to generate 80 percent of ALB Thoroughbred starts in 2021-24. Limited to racetracks where top ALB Thoroughbred trainers had at least 200 starts in 2021-24.

Figure 101 Albuquerque Quarter Horse Trainers 2021-2024 Migration Map

Top ALB Quarter Horse Trainers - 2021-24 Starts by Track

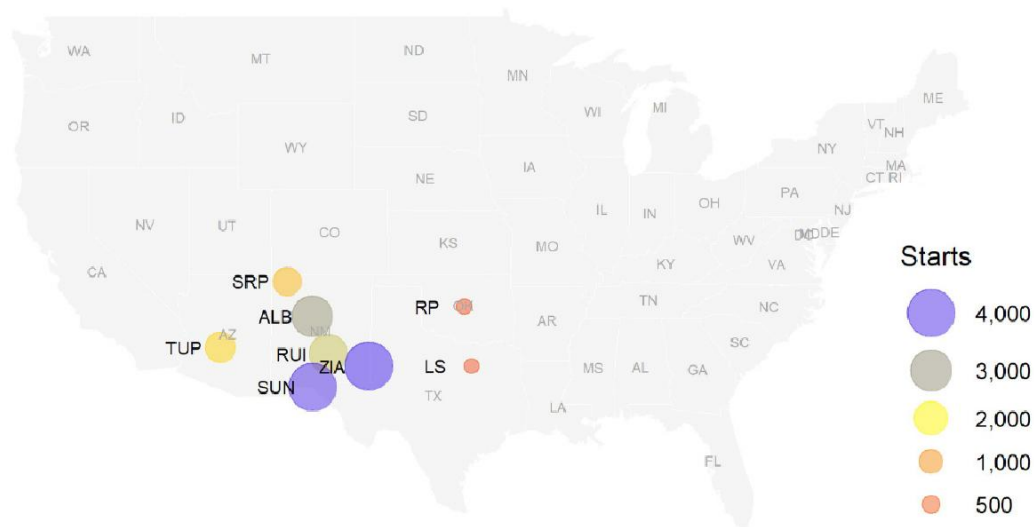


Top ALB Quarter Horse trainers defined as smallest group to generate 80 percent of ALB Quarter Horse starts in 2021-24. Limited to racetracks where top ALB Quarter Horse trainers had at least 200 starts in 2021-24.

Ruidoso

Figure 102 Ruidoso Thoroughbred Trainers 2021-2024 Migration Map

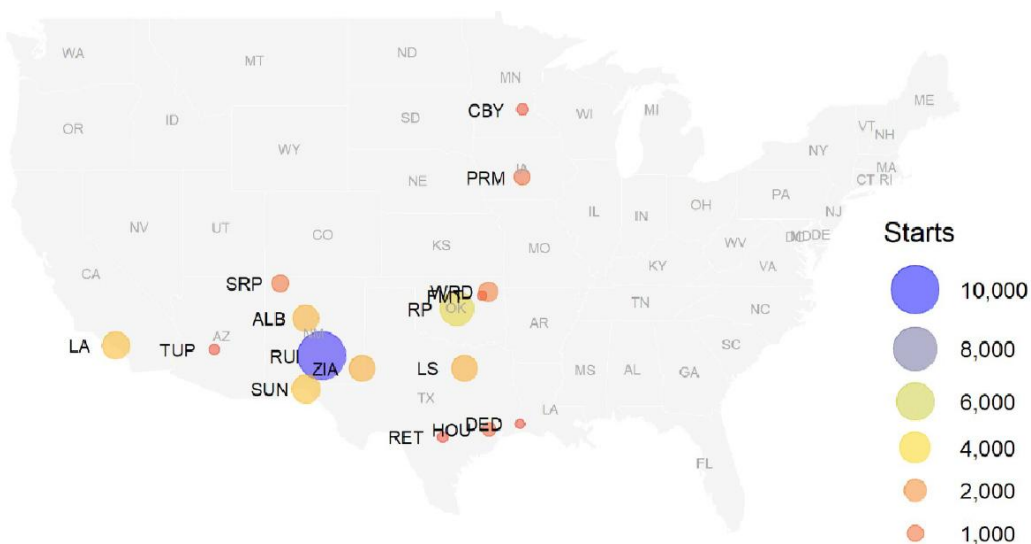
Top RUI Thoroughbred Trainers - 2021-24 Starts by Track



Top RUI Thoroughbred trainers defined as smallest group to generate 80 percent of RUI Thoroughbred starts in 2021-24. Limited to racetracks where top RUI Thoroughbred trainers had at least 200 starts in 2021-24.

Figure 103 Ruidoso Quarter Horse Trainers 2021-2024 Migration Map

Top RUI Quarter Horse Trainers - 2021-24 Starts by Track

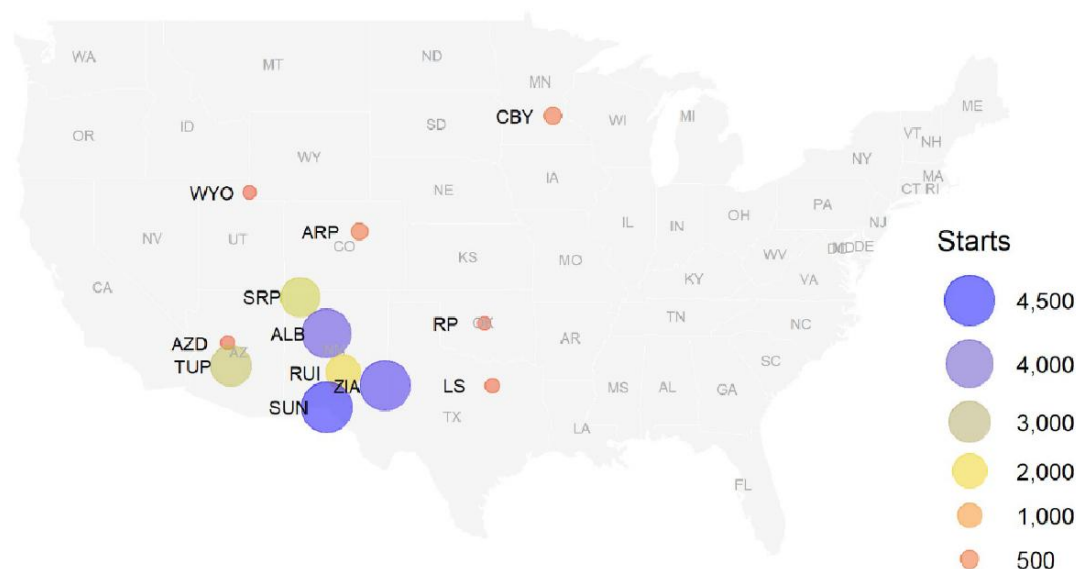


Top RUI Quarter Horse trainers defined as smallest group to generate 80 percent of RUI Quarter Horse starts in 2021-24. Limited to racetracks where top RUI Quarter Horse trainers had at least 200 starts in 2021-24.

SunRay Park

Figure 104 SunRay Thoroughbred Trainers 2021-2024 Migration Map

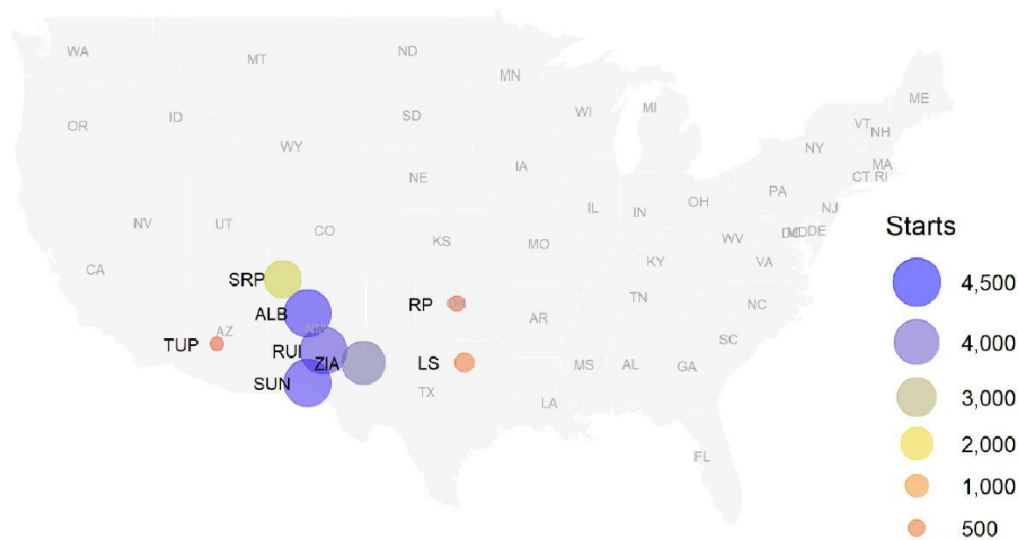
Top SRP Thoroughbred Trainers - 2021-24 Starts by Track



Top SRP Thoroughbred trainers defined as smallest group to generate 80 percent of SRP Thoroughbred starts in 2021-24. Limited to racetracks where top SRP Thoroughbred trainers had at least 200 starts in 2021-24.

Figure 105 SunRay Quarter Horse Trainers 2021-2024 Migration Map

Top SRP Quarter Horse Trainers - 2021-24 Starts by Track



Top SRP Quarter Horse trainers defined as smallest group to generate 80 percent of SRP Quarter Horse starts in 2021-24. Limited to racetracks where top SRP Quarter Horse trainers had at least 200 starts in 2021-24.

Figure 106 Sunland Thoroughbred Trainers 2021-2024 Migration Map

Figure 107 Sunland Quarter Horse Trainers 2021-2024 Migration Map

Starts

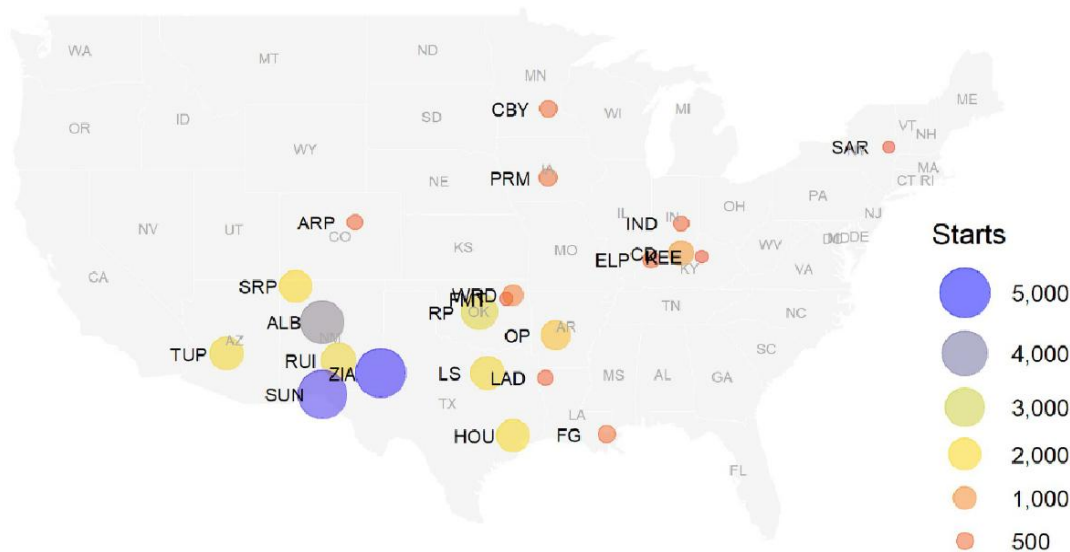
- 7,000
- 6,000
- 5,000
- 4,000
- 3,000
- 2,000
- 1,000

141

Zia Park

Figure 108 Zia Thoroughbred Trainers 2021-2024 Migration Map

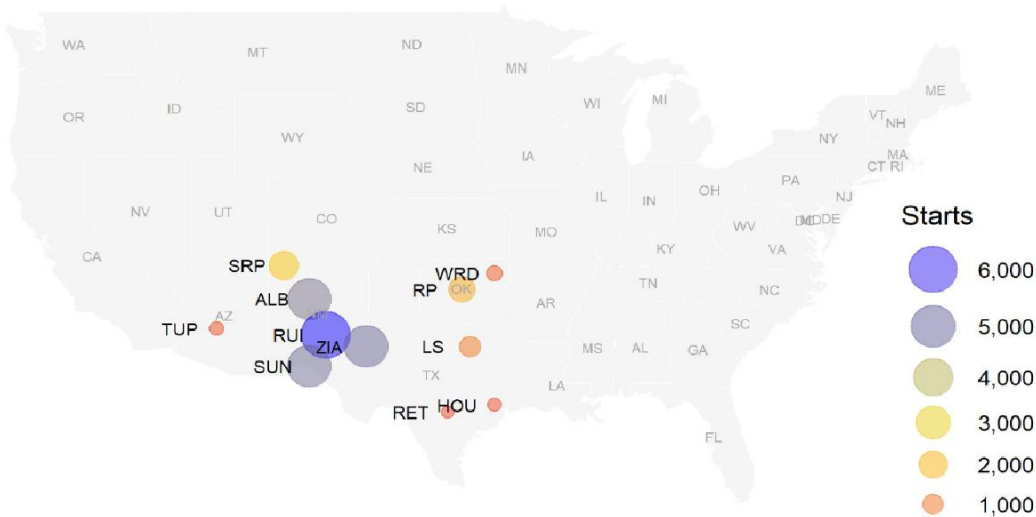
Top ZIA Thoroughbred Trainers - 2021-24 Starts by Track



Top ZIA Thoroughbred trainers defined as smallest group to generate 80 percent of ZIA Thoroughbred starts in 2021-24. Limited to racetracks where top ZIA Thoroughbred trainers had at least 200 starts in 2021-24.

Figure 109 Zia Quarter Horse Trainers 2021-2024 Migration Map

Top ZIA Quarter Horse Trainers - 2021-24 Starts by Track



Top ZIA Quarter Horse trainers defined as smallest group to generate 80 percent of ZIA Quarter Horse starts in 2021-24. Limited to racetracks where top ZIA Quarter Horse trainers had at least 200 starts in 2021-24.

Appendix #2 –Benchmarking Tables Not Included in the Main Body of the Study

Figure 110 Distances Between Tracks in Miles

Distances Between Tracks in Miles							
Track Name	Track Code	State	ALB to:	Rui to:	SRP to:	Sun to:	Zia to:
Albuquerque	ALB	NM	0	192	177	267	308
Ruidoso Downs	RUI	NM	192	0	360	143	181
Sun Ray Park	SRP	NM	177	360	0	435	483
Sunland Park	SUN	NM	268	145	436	0	249
Zia Park	ZIA	NM	308	181	483	247	0
Turf Paradise	TUP	AZ	457	525	431	441	679
Los Alamitos (QH)	LA	CA	796	873	771	790	1,027
Arapahoe Park	ARP	CO	450	526	415	643	576
Prairie Meadows	PRM	IA	990	1,093	1,021	1,151	1,015
Horseshoe Indianapolis	IND	IN	1,301	1,300	1,377	1,488	1,222
Delta Downs	DED	LA	959	869	1,114	870	694
Evangelina Downs	EVD	LA	1,012	932	1,187	985	770
Fair Grounds	FG	LA	1,145	1,065	1,320	1,096	903
Louisiana Downs	LAD	LA	838	758	1,013	838	596
Canterbury Park	CBY	MN	1,217	1,320	1,192	1,378	1,242
Fair Meadows Tulsa	FMT	OK	649	647	824	835	570
Remington Park	RP	OK	546	544	721	734	468
Will Rogers Downs	WRD	OK	675	673	849	861	595
Sam Houston	HOU	TX	824	721	999	750	558
Lone Star Park	LS	TX	635	550	810	630	388
Retama Park	RET	TX	719	592	893	562	425
Energy Downs 307 Racing	EDR	WY	793	868	716	986	919
Sweetwater Fair	SWF	WY	659	864	519	982	914
Wyoming Downs	WYO	WY	687	871	511	946	993

Source: Distances and times were calculated using the Google Maps Distance Matrix API.

Figure 111 Thoroughbred and Quarter Horse Race Days

Thoroughbred Race Days						Quarter Horse Race Days					
State	Track	2021	2022	2023	2024	State	Track	2021	2022	2023	2024
New Mexico Statewide		116	164	124	112	New Mexico Statewide		125	166	138	138
New Mexico	ALB	26	36	34	46	New Mexico	ALB	24	33	36	52
	RUI	35	31	34	11		RUI	46	47	46	24
	SRP	18	17	14	12		SRP	18	18	15	18
	SUN	1	48	27	27		SUN	1	42	26	28
	ZIA	36	32	15	16		ZIA	36	26	15	16
Arizona						Arizona					
Arizona	TUP	117	116	82	85	Arizona	TUP	56	59	42	79
California	LA	105	82	79	75	California	LA	125	100	95	98
Colorado	ARP	30	41	36	30	Colorado	ARP	21	33	36	28
Iowa	PRM	84	82	80	81	Iowa	PRM	58	60	60	60
Indiana	IND	116	116	116	115	Indiana	IND	112	112	114	113
Louisiana	DED	103	89	82	71	Louisiana	DED	45	60	60	46
	EVD	83	84	61	70		EVD	53	44	46	46
	FG	76	83	78	75		FG	1	0	0	15
	LAD	84	82	60	69		LAD	38	45	45	39
Minnesota	CBY	64	64	53	54	Minnesota	CBY	27	25	16	15
Oklahoma	FMT	16	13	12	13	Oklahoma	FMT	20	20	16	14
	RP	67	67	67	67		RP	49	50	48	51
	WRD	29	28	26	28		WRD	28	27	27	28
Texas	Hou	43	50	42	42	Texas	Hou	42	25	25	24
	LS	48	48	48	40		LS	30	30	32	32
	RET	0	0	0	0		RET	0	22	24	23
Wyoming	EDR	15	15	12	15	Wyoming	EDR	16	15	13	16
	SWF	12	13	16	17		SWF	14	15	16	18
	WYO	19	20	20	19		WYO	20	20	20	20

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

Figure 112 Thoroughbred Number of Unrestricted Races and State-bred Races

Thoroughbred Data									
State	Track	Unrestricted Races				State-bred Races			
		2021	2022	2023	2024	2021	2022	2023	2024
New Mexico Statewide		319	500	459	398	258	396	348	330
New Mexico	ALB	69	122	114	108	56	69	50	92
	RUI	71	48	67	15	72	39	79	21
	SRP	53	65	71	72	39	38	33	25
	SUN	1	117	117	127	3	147	126	117
	ZIA	125	148	90	76	88	103	60	75
Arizona	TUP	915	812	597	567	19	16	9	34
California	LA	215	155	140	123	0	0	0	0
Colorado	ARP	152	243	213	149	10	22	18	18
Iowa	PRM	371	345	324	333	225	228	232	234
Indiana	IND*	508	501	544	514	490	464	439	457
Louisiana	DED	608	524	456	371	345	277	271	229
	EVD	444	421	309	366	267	270	219	243
	FG	448	440	403	425	269	317	293	264
	LAD	401	369	284	299	185	206	166	185
Minnesota	CBY	397	400	298	323	142	129	98	77
Oklahoma	FMT	126	91	85	84	39	32	32	29
	RP	398	421	427	416	203	179	178	186
	WRD	167	158	157	145	103	94	91	93
Texas	Hou	312	337	261	256	93	104	99	97
	LS	323	283	265	254	132	119	114	106
	RET	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Wyoming	EDR	45	48	48	55	2	1	0	2
	SWF	28	38	53	43	0	0	1	2
	WYO	19	20	20	19	0	0	0	0

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

Figure 113 Quarter Horse Number of Unrestricted Races and State-bred Races

Quarter Horse Data										
		Unrestricted Races					State-bred Races			
State	Track	2021	2022	2023	2024		2021	2022	2023	2024
New Mexico Statewide		523	770	697	748		218	375	362	364
New Mexico	ALB	80	104	106	240		44	70	75	96
	RUI	276	315	288	178		86	103	94	65
	SRP	59	54	72	88		26	25	35	31
	SUN	4	159	145	151		1	97	92	105
	ZIA	104	138	86	91		61	80	66	67
Arizona	TUP	100	105	70	94		3	5	2	52
California	LA	590	514	481	465		20	19	21	19
Colorado	ARP	29	57	66	40		14	15	15	16
Iowa	PRM	132	134	154	148		59	61	58	63
Indiana	IND	118	130	129	131		101	97	86	89
Louisiana	DED	177	216	238	170		252	292	293	232
	EVD	226	179	188	185		208	154	155	166
	FG	n/a	n/a	n/a	83		3	n/a	n/a	63
	LAD	130	183	192	172		148	139	137	123
Minnesota	CBY	50	42	22	23		26	31	17	17
Oklahoma	FMT	154	128	104	90		22	32	16	22
	RP	383	358	376	356		94	86	80	99
	WRD	182	189	164	169		45	51	61	57
Texas	Hou	296	193	201	193		105	49	37	41
	LS	262	253	269	270		45	28	33	36
	RET	n/a	159	175	170		n/a	49	40	38
Wyoming	EDR	43	44	38	52		38	27	31	38
	SWF	58	69	52	79		31	36	41	37
	WYO	19	19	20	19		15	17	18	19

Source: Daily Racing Form Charts, Statistics by Race Breed

Note: DRF designated Mixed breed and Arabian races not included.

Note: 2024 Ruidoso races run at Alb from July 26 to September 2, thus skewing the data by tracks

The following three tables were reviewed but only the 2024 data is in the body of the study and the combined data for all four years.

Figure 114 2023 Entries in NM Races Sorted by Top Five States of Foal Area

2023 Entries in NM Races Sorted by State of Foal Area (States with 100 or more entries by State-bred per year)						
		NM Bred	CA Bred	KY Bred	OK Bred	TX Bred
ALB 2023	TB	777	250	375	7	23
	QH	1147	107	6	239	161
RUI 2023	TB	939	78	189	8	25
	QH	1552	337	16	880	674
SRP 2023	TB	590	114	204	15	9
	QH	690	46	3	131	109
SUN 2023	TB	1469	153	420	37	33
	QH	1449	141	4	314	292
ZIA 2023	TB	759	161	359	15	39
	QH	1019	75	6	219	173
Statewide 2023	TB	4534	756	1547	82	129
	QH	5857	706	35	1783	1409

Source: Daily Racing Form Charts and RGE

Figure 115 2022 Entries in NM Races Sorted by Top Five States of Foal Area

2022 Entries in NM Races Sorted by State of Foal Area (States with 100 or more entries by State-bred per year)						
		NM Bred	CA Bred	KY Bred	OK Bred	TX Bred
ALB 2022	TB	1031	177	396	14	24
	QH	1146	103	0	211	156
RUI 2022	TB	469	30	122	14	6
	QH	1401	258	11	852	785
SRP 2022	TB	619	136	204	8	6
	QH	527	40	0	89	79
SUN 2022	TB	1474	141	444	47	16
	QH	1554	114	2	306	355
ZIA 2022	TB	1275	132	437	53	53
	QH	1434	89	1	259	301
Statewide 2022	TB	4868	616	1603	136	105
	QH	6062	604	14	1717	1676

Source: Daily Racing Form Charts and RGE

Figure 116 2021 Entries in NM Races Sorted by Top Five States of Foal Area

2021 Entries in NM Races Sorted by State of Foal Area (States with 100 or more entries by State-bred per year)						
		NM Bred	CA Bred	KY Bred	OK Bred	TX Bred
ALB 2021	TB	699	121	199	13	7
	QH	739	47	3	164	119
RUI 2021	TB	886	42	155	26	17
	QH	1285	243	18	729	677
SRP 2021	TB	483	109	121	17	6
	QH	508	21	1	90	64
SUN 2021	TB	31	1	4	0	1
	QH	24	0	0	12	5
ZIA 2021	TB	1173	165	371	25	35
	QH	1101	68	7	183	186
Statewide 2021	TB	3272	438	850	81	66
	QH	3657	379	29	1178	1051

Source: Daily Racing Form Charts and RGE

Figure 117 Thoroughbred Unrestricted and State-bred Mean Handle for Single Pool Exotics

State	Thoroughbred Data							
	Unrestricted Race Mean Handle Single Pool Exotic				State-Bred Race Mean Handle Single Pool Exotic			
	2021	2022	2023	2024	2021	2022	2023	2024
New Mexico Statewide	\$ 32,944	\$ 34,547	\$ 38,590	\$ 28,975	\$ 34,192	\$ 40,932	\$ 42,562	\$ 34,563
□ New Mexico	\$ 24,263	\$ 25,405	\$ 26,381	\$ 19,895	\$ 22,301	\$ 27,063	\$ 26,334	\$ 21,647
	\$ 35,401	\$ 36,683	\$ 34,985	\$ 28,410	\$ 40,538	\$ 34,641	\$ 35,126	\$ 25,766
	\$ 30,207	\$ 2,279	\$ 4,019	\$ 3,793	\$ 28,891	\$ 2,246	\$ 3,658	\$ 3,737
	\$ 25,740	\$ 60,481	\$ 55,282	\$ 45,230	\$ 82,233	\$ 61,289	\$ 54,726	\$ 50,719
	\$ 37,558	\$ 35,061	\$ 62,310	\$ 38,683	\$ 37,279	\$ 37,825	\$ 61,730	\$ 37,941
□ Arizona	\$ 115,836	\$ 115,416	\$ 102,107	\$ 105,553	\$ 92,835	\$ 117,952	\$ 64,399	\$ 80,380
□ California	\$ 58,544	\$ 55,186	\$ 56,389	\$ 53,034	n/a	n/a	n/a	n/a
□ Colorado	\$ 12,577	\$ 11,628	\$ 10,997	\$ 1,069	\$ 13,706	\$ 12,718	\$ 11,428	\$ 1,015
□ Iowa	\$ 31,494	\$ 28,718	\$ 26,128	\$ 29,113	\$ 34,510	\$ 36,594	\$ 31,256	\$ 26,989
□ Indiana	\$ 97,330	\$ 108,637	\$ 129,592	\$ 132,196	\$ 103,581	\$ 121,201	\$ 136,694	\$ 129,828
□ Louisiana	\$ 104,211	\$ 102,520	\$ 89,355	\$ 84,461	\$ 97,240	\$ 97,484	\$ 93,799	\$ 85,166
	\$ 70,224	\$ 59,220	\$ 107,887	\$ 103,197	\$ 73,580	\$ 68,672	\$ 98,930	\$ 111,809
	\$ 167,288	\$ 162,617	\$ 164,463	\$ 177,765	\$ 159,878	\$ 142,203	\$ 144,474	\$ 156,197
	\$ 40,439	\$ 43,172	\$ 46,522	\$ 46,077	\$ 40,135	\$ 40,483	\$ 41,632	\$ 38,401
□ Minnesota	\$ 69,274	\$ 80,092	\$ 45,054	\$ 54,955	\$ 77,396	\$ 85,159	\$ 47,229	\$ 51,733
□ Oklahoma	\$ 10,053	\$ 14,502	\$ 1,046	\$ 1,624	\$ 11,271	\$ 15,541	\$ 612	\$ 1,607
	\$ 77,372	\$ 66,804	\$ 59,535	\$ 47,799	\$ 75,905	\$ 67,130	\$ 59,789	\$ 47,778
	\$ 40,089	\$ 46,154	\$ 40,373	\$ 36,115	\$ 48,337	\$ 52,929	\$ 48,724	\$ 47,874
□ Texas	\$ 111,723	\$ 106,272	\$ 9,047	\$ 9,046	\$ 114,681	\$ 115,964	\$ 10,467	\$ 9,099
	\$ 90,897	\$ 63,974	\$ 18,376	\$ 21,837	\$ 76,998	\$ 59,825	\$ 16,595	\$ 21,045
	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
□ Wyoming	\$ 592	\$ 364	\$ 535	\$ 634	\$ 520	\$ 227	n/a	\$ 777
	\$ 1,052	\$ 285	\$ 312	\$ 336	n/a	n/a	\$ 355	\$ 365
	\$ 3,720	\$ 4,003	\$ 4,091	\$ 3,979	n/a	n/a	n/a	n/a

Source: Daily Racing Form Charts, Statistics by Race Breed

Figure 118 Thoroughbred Unrestricted and State-bred Mean Handle for Single Pool Exotic Per Starter

	Thoroughbred Data								
	Unrestricted Race Mean Handle Single Pool Exotic pre starter					State-Bred Race Mean Handle Single Pool Exotic per starter			
State	2021	2022	2023	2024		2021	2022	2023	2024
New Mexico Statewide	\$ 4,335	\$ 4,546	\$ 4,594	\$ 3,916		\$ 4,384	\$ 5,248	\$ 5,190	\$ 4,489
New Mexico	\$ 3,151	\$ 3,098	\$ 2,964	\$ 2,725		\$ 2,823	\$ 3,261	\$ 3,098	\$ 2,811
	\$ 4,849	\$ 5,558	\$ 4,428	\$ 4,178		\$ 5,265	\$ 5,020	\$ 4,622	\$ 3,629
	\$ 3,975	\$ 259	\$ 496	\$ 499		\$ 3,904	\$ 267	\$ 435	\$ 542
	\$ 5,148	\$ 8,518	\$ 6,998	\$ 6,112		\$ 9,137	\$ 7,858	\$ 6,756	\$ 6,502
	\$ 4,878	\$ 4,738	\$ 6,923	\$ 5,024		\$ 4,660	\$ 4,977	\$ 7,015	\$ 4,803
Arizona	\$ 15,044	\$ 15,186	\$ 14,587	\$ 14,074		\$ 14,736	\$ 16,613	\$ 12,384	\$ 13,177
California	\$ 9,757	\$ 9,515	\$ 8,951	\$ 8,554					
Colorado	\$ 1,906	\$ 1,846	\$ 1,692	\$ 170		\$ 1,986	\$ 2,271	\$ 2,116	\$ 195
Iowa	\$ 4,999	\$ 4,558	\$ 4,283	\$ 4,696		\$ 5,075	\$ 5,303	\$ 4,665	\$ 4,217
Indiana	\$ 14,527	\$ 14,681	\$ 16,830	\$ 17,168		\$ 13,997	\$ 14,603	\$ 16,469	\$ 16,434
Louisiana	\$ 12,406	\$ 12,657	\$ 11,031	\$ 10,300		\$ 11,859	\$ 12,340	\$ 11,439	\$ 10,261
	\$ 10,032	\$ 8,839	\$ 13,319	\$ 13,402		\$ 10,079	\$ 9,538	\$ 12,214	\$ 13,804
	\$ 21,447	\$ 22,276	\$ 21,928	\$ 21,946		\$ 19,033	\$ 17,775	\$ 17,836	\$ 18,376
	\$ 6,036	\$ 6,257	\$ 5,605	\$ 6,144		\$ 6,081	\$ 6,042	\$ 5,478	\$ 5,565
Minnesota	\$ 9,621	\$ 10,972	\$ 6,931	\$ 7,426		\$ 10,184	\$ 11,828	\$ 7,266	\$ 7,087
Oklahoma	\$ 1,648	\$ 2,544	\$ 187	\$ 285		\$ 1,818	\$ 2,634	\$ 100	\$ 263
	\$ 9,552	\$ 8,351	\$ 7,633	\$ 6,548		\$ 8,725	\$ 8,187	\$ 7,381	\$ 6,456
	\$ 6,168	\$ 7,444	\$ 6,211	\$ 5,733		\$ 6,905	\$ 7,671	\$ 6,675	\$ 6,649
Texas	\$ 13,965	\$ 13,983	\$ 1,160	\$ 1,117		\$ 14,158	\$ 14,496	\$ 1,292	\$ 1,123
	\$ 12,120	\$ 8,308	\$ 2,297	\$ 2,730		\$ 10,845	\$ 7,670	\$ 2,155	\$ 2,447
Wyoming	\$ 100	\$ 69	\$ 82	\$ 86		\$ 87	\$ 45		\$ 130
	\$ 188	\$ 43	\$ 45	\$ 50				\$ 44	\$ 46
	\$ 524	\$ 572	\$ 560	\$ 457					

Source: Daily Racing Form Charts, Statistics by Race Breed

Figure 119 Quarter Horse Unrestricted and State-bred Mean Handle for Single Pool Exotics

State	Quarter Horse Data							
	Unrestricted Race Mean Handle Single Pool Exotic				State-Bred Race Mean Handle Single Pool Exotic			
	2021	2022	2023	2024	2021	2022	2023	2024
New Mexico Statewide	\$ 34,025	\$ 31,065	\$ 32,435	\$ 30,630	\$ 27,263	\$ 27,790	\$ 28,924	\$ 29,472
□ New Mexico	\$ 24,820	\$ 22,878	\$ 21,904	\$34,113	\$ 18,503	\$ 24,681	\$ 25,436	\$29,102
	\$ 45,418	\$ 42,554	\$ 45,465	\$36,655	\$ 38,771	\$ 33,911	\$ 35,048	\$37,216
	\$ 16,879	\$ 2,077	\$ 3,404	\$3,653	\$ 18,211	\$ 2,204	\$ 3,365	\$3,560
	\$ 22,234	\$ 32,747	\$ 30,252	\$36,508	\$ 20,465	\$ 32,597	\$ 35,135	\$35,859
	\$ 21,053	\$ 20,417	\$ 29,767	\$25,995	\$ 21,328	\$ 24,798	\$ 29,064	\$24,393
□ Arizona	\$ 47,421	\$ 57,951	\$ 55,511	\$57,098	\$ 45,498	\$ 57,343	\$ 37,480	\$49,415
□ California	\$ 53,274	\$ 53,474	\$ 52,966	\$ 51,672	\$ 58,317	\$ 56,358	\$ 46,985	\$ 50,088
□ Colorado	\$ 8,626	\$ 10,176	\$ 8,220	\$1,167	\$ 10,678	\$ 13,214	\$ 9,435	\$1,522
□ Iowa	\$ 15,129	\$ 15,263	\$ 18,287	\$17,674	\$ 15,580	\$ 13,376	\$ 21,538	\$23,715
□ Indiana	\$ 59,295	\$ 57,934	\$ 69,289	\$65,913	\$ 56,709	\$ 58,771	\$ 64,417	\$70,129
□ Louisiana	\$ 33,728	\$ 34,660	\$ 36,167	\$40,696	\$ 35,466	\$ 39,738	\$ 40,078	\$44,875
	\$ 35,332	\$ 32,759	\$ 36,204	\$34,806	\$ 37,482	\$ 32,866	\$ 35,145	\$34,394
	n/a	n/a	n/a	\$25,762	n/a	n/a	n/a	\$23,983
	\$ 24,569	\$ 28,477	\$ 19,751	\$30,681	\$ 26,225	\$ 30,098	\$ 18,871	\$26,454
□ Minnesota	\$ 27,953	\$ 33,932	\$ 30,412	\$36,920	\$ 34,472	\$ 37,370	\$ 30,706	\$34,445
□ Oklahoma	\$ 7,868	\$ 10,319	\$ 6,054	\$6,756	\$ 6,659	\$ 8,912	\$ 7,729	\$6,190
	\$ 46,747	\$ 44,874	\$ 39,116	\$40,611	\$ 48,025	\$ 43,087	\$ 40,083	\$44,560
	\$ 11,810	\$ 13,867	\$ 12,337	\$9,853	\$ 11,882	\$ 11,825	\$ 12,557	\$8,358
□ Texas	\$ 38,413	\$ 37,467	\$ 24,927	\$25,100	\$ 33,317	\$ 36,318	\$ 23,689	\$23,472
	\$ 41,391	\$ 32,332	\$ 30,204	\$27,017	\$ 39,025	\$ 28,320	\$ 25,244	\$22,819
	n/a	\$ 28,174	\$ 27,842	\$26,724	n/a	\$ 32,279	\$ 33,166	\$32,149
□ Wyoming	\$474	\$318	\$599	\$365	\$371	\$330	\$525	\$394
	\$792	\$314	\$462	\$381	\$862	\$306	\$467	\$411
	\$3,541	\$3,741	\$4,066	\$4,069	\$3,431	\$3,245	\$3,537	\$3,450

Source: Daily Racing Form Charts, Statistics by Race Breed

Figure 120 Quarter Horse Unrestricted and State-bred Mean Handle for Single Pool Exotic Per Starter

	Quarter Horse Data								
	Unrestricted Race Mean Handle Single Pool					State-Bred Race Mean Handle Single Pool			
	Exotic pre starter					Exotic per starter			
State	2021	2022	2023	2024		2021	2022	2023	2024
New Mexico Statewide	\$ 3,956	\$ 3,571	\$ 3,604	\$ 3,481		\$ 3,134	\$ 3,122	\$ 3,144	\$ 3,275
New Mexico	\$ 2,955	\$ 2,630	\$ 2,489	\$ 3,967		\$ 2,152	\$ 2,742	\$ 2,735	\$ 3,270
	\$ 5,161	\$ 4,948	\$ 4,996	\$ 4,119		\$ 4,456	\$ 3,990	\$ 3,810	\$ 4,045
	\$ 2,164	\$ 228	\$ 391	\$ 406		\$ 2,142	\$ 245	\$ 354	\$ 383
	\$ 2,391	\$ 3,808	\$ 3,361	\$ 4,056		\$ 2,924	\$ 3,582	\$ 3,819	\$ 4,029
	\$ 2,366	\$ 2,269	\$ 3,307	\$ 2,921		\$ 2,396	\$ 2,725	\$ 3,159	\$ 2,710
Arizona	\$ 5,451	\$ 6,585	\$ 6,455	\$ 6,717		\$ 5,482	\$ 6,371	\$ 4,409	\$ 6,960
California	\$ 8,072	\$ 7,981	\$ 7,789	\$ 7,489		\$ 7,881	\$ 7,720	\$ 7,119	\$ 7,155
Colorado	\$ 1,198	\$ 1,305	\$ 1,142	\$ 174		\$ 1,570	\$ 1,537	\$ 1,388	\$ 227
Iowa	\$ 2,161	\$ 2,313	\$ 2,650	\$ 2,561		\$ 2,164	\$ 2,058	\$ 2,950	\$ 3,162
Indiana	\$ 6,816	\$ 6,509	\$ 7,699	\$ 7,406		\$ 6,518	\$ 6,458	\$ 7,157	\$ 7,880
Louisiana	\$ 4,113	\$ 4,176	\$ 4,255	\$ 4,845		\$ 4,030	\$ 4,675	\$ 4,660	\$ 5,218
	\$ 4,907	\$ 4,200	\$ 4,526	\$ 4,406		\$ 4,868	\$ 4,160	\$ 4,393	\$ 4,526
				\$ 3,104					\$ 2,855
	\$ 3,412	\$ 4,450	\$ 2,822	\$ 3,884		\$ 3,362	\$ 4,300	\$ 2,621	\$ 3,349
Minnesota	\$ 3,937	\$ 4,847	\$ 4,224	\$ 5,594		\$ 4,658	\$ 5,263	\$ 4,652	\$ 4,921
Oklahoma	\$ 1,093	\$ 1,453	\$ 841	\$ 824		\$ 965	\$ 1,311	\$ 991	\$ 794
	\$ 5,252	\$ 4,931	\$ 4,445	\$ 4,722		\$ 5,457	\$ 4,896	\$ 4,716	\$ 5,242
	\$ 1,440	\$ 1,691	\$ 1,451	\$ 1,216		\$ 1,415	\$ 1,497	\$ 1,550	\$ 1,045
Texas	\$ 4,268	\$ 4,210	\$ 2,865	\$ 2,953		\$ 3,874	\$ 4,174	\$ 2,662	\$ 2,794
	\$ 4,357	\$ 3,716	\$ 3,394	\$ 2,969		\$ 4,065	\$ 3,293	\$ 2,970	\$ 2,564
		\$ 3,276	\$ 3,315	\$ 3,072			\$ 3,753	\$ 3,902	\$ 3,738
Wyoming	\$ 72	\$ 53	\$ 79	\$ 45		\$ 55	\$ 49	\$ 65	\$ 47
	\$ 108	\$ 40	\$ 56	\$ 45		\$ 112	\$ 37	\$ 56	\$ 48
	\$ 402	\$ 440	\$ 473	\$ 457		\$ 386	\$ 382	\$ 402	\$ 375

Source: Daily Racing Form Charts, Statistics by Race Breed

Figure 121 Thoroughbred Races and Unique Starters Statewide Comparison

Thoroughbred Unique Starters						Thoroughbred Races					
State	Track	2021	2022	2023	2024	State	Track	2021	2022	2023	2024
New Mexico Statewide		1196	1493	1558	1327	New Mexico Statewide		577	896	807	728
Arizona Statewide		2067	2023	1374	1560	Arizona Statewide		1149	1030	708	601
Indiana Statewide		2235	2401	2644	2665	Indiana Statewide		998	965	983	971
Louisiana Statewide		5212	4964	5011	4850	Louisiana Statewide		2967	2824	2401	2382
Oklahoma Statewide		2068	2025	2023	1850	Oklahoma Statewide		1036	975	970	953
Texas Statewide		2109	1950	1831	1715	Texas Statewide		872	858	755	728
Wyoming Statewide		303	300	375	492	Wyoming Statewide		137	155	177	197

Source: Daily Racing Form Charts, Statistics by Race Breed, Unique Starters by Horse Breed

Figure 122 Quarter Horse Races and Unique Starters Statewide Comparison

Quarter Horse Races						Quarter Horse Unique Starters					
State	Track	2021	2022	2023	2024	State	Track	2021	2022	2023	2024
New Mexico Statewide		741	1145	1059	1112	New Mexico Statewide		2086	2581	2710	2779
Arizona Statewide		156	249	148	146	Arizona Statewide		428	563	396	423
Louisiana Statewide		1144	1163	1203	1194	Louisiana Statewide		2455	2274	2315	2264
Oklahoma Statewide		880	844	801	793	Oklahoma Statewide		2278	2089	2053	2012
Texas Statewide		778	794	819	805	Texas Statewide		2430	2179	2230	2175
Wyoming Statewide		301	308	290	322	Wyoming Statewide		548	589	662	783

Source: Daily Racing Form Charts, Statistics by Race Breed, Unique Starters by Horse Breed

Figure 123 Thoroughbred Ratio of Unique Starters to Races

Thoroughbred Unique Starters to Races Ratio					
State	Track	2021	2022	2023	2024
New Mexico Statewide		2.07	1.67	1.93	1.82
New Mexico	ALB	4.63	3.78	4.70	3.23
	RUI	3.63	4.05	3.99	6.17
	SRP	4.47	5.82	4.94	4.77
	SUN	8.25	2.95	3.38	3.14
	ZIA	3.57	3.41	5.48	4.53
Arizona	TUP	2.16	2.32	2.12	2.60
California	LA	3.00	3.67	4.39	4.85
Colorado	ARP	2.52	1.76	2.00	2.31
Iowa	PRM	1.75	1.69	1.68	1.76
Indiana	IND	2.24	2.49	2.69	2.74
Louisiana	DED	2.89	3.06	3.28	3.64
	EVD	2.19	2.19	3.01	2.72
	FG	3.82	3.61	3.91	4.16
	LAD	2.26	2.49	3.60	2.80
Minnesota	CBY	2.05	2.02	1.92	1.93
Oklahoma	FMT	2.61	2.85	2.79	2.83
	RP	2.83	2.73	2.78	2.51
	WRD	2.42	2.57	2.62	2.65
Texas	Hou	3.40	3.01	3.36	3.15
	LS	3.08	3.26	3.46	3.51
	RET				
Wyoming	EDR	2.93	2.35	3.38	3.32
	SWF	3.57	3.24	3.78	3.67
	WYO	3.08	2.69	3.05	3.64

Source: Daily Racing Form Charts, Statistics by Horse Breed

Figure 124 Quarter Horse Ratio of Unique Starters to Races

Quarter Horse Unique Starters to Races Ratio					
State	Track	2021	2022	2023	2024
New Mexico Statewide		2.82	2.25	2.56	2.50
☒ New Mexico	ALB	5.61	4.93	5.92	4.91
	RUI	3.77	3.61	4.53	6.07
	SRP	5.21	7.05	7.01	6.77
	SUN	8.60	4.38	5.01	4.99
	ZIA	5.12	4.89	6.91	6.65
☒ Arizona	TUP	3.78	3.82	3.88	2.90
☒ California	LA	1.52	1.52	1.60	1.67
☒ Colorado	ARP	2.77	2.40	2.22	2.91
☒ Iowa	PRM	2.34	2.24	2.42	2.39
☒ Indiana	IND	1.92	2.21	2.22	2.15
☒ Louisiana	DED	3.86	2.99	3.11	3.74
	EVD	3.16	3.75	3.71	3.67
	FG	10.00			56.47
	LAD	4.32	3.78	3.73	4.39
☒ Minnesota	CBY	2.72	2.58	3.18	2.50
☒ Oklahoma	FMT	3.78	3.79	4.39	5.31
	RP	4.14	4.12	4.01	3.95
	WRD	3.78	3.75	4.04	3.72
☒ Texas	Hou	4.16	5.00	5.04	4.74
	LS	4.95	4.37	4.94	4.79
	RET		5.45	4.96	5.50
☒ Wyoming	EDR	3.28	2.87	4.00	3.98
	SWF	3.24	3.30	4.45	4.24
	WYO	3.63	3.69	3.92	4.50

Source: Daily Racing Form Charts, Statistics by Horse Breed

Appendix #3 – Stakeholder Interviews

As part of the study's process RGE wanted to reach out to members of all the important stakeholder groups in the industry not to conduct a survey but mainly to ask general questions and gain insight into the racing and breeding industry in New Mexico from multiple perspectives and to gather some data points and understand the marketplace and relationships.

Given the time and budget constraints the study faced we were limited in time and thus took the approach of making sure we had a sample that included people from all the major stakeholder groups. In fact, we found more consistency in respective segments and even with the limited time for this segment of the study many interviews from similar groups started to be much more consistent than not.

Each person contacted was told their comments were confidential and not only would we not identify who we interviewed but all stakeholder feedback would only be in an appendix and in aggregate as to the broad and various perspectives articulated. As expected, there was variety and at times inconsistent feedback but also not surprising there was a lot of agreement or near agreement on many issues and thoughts about the racing and breeding industry.

We believe while most stakeholders were concerned about the current state of the industry and declines, they also realized that improvement was desired but current issues among stakeholders including lawsuits, strong long-term disagreements, attitudes, and distrust were major impediments to progress. While not part of the study, RGE has found that legislators are most often not receptive to industry needs until the industry can resolve their own internal issues.

Perhaps the most discouraging point we took from the interviews was that ideas, concepts and strategies put forth in this study have little chance of gaining consensus or compromise until the stakeholders agree to move forward. However, an encouraging point from the interviews was that there was a reasonable amount of near agreement on some of the methods needed to make progress.

With that background, below is a short synopsis of the most relevant feedback we received.

Most agree that the decline in opportunities (days or races) and decline in breeding (especially Thoroughbreds) are a serious problem. This study does not focus on the cause(s) of the problem and different stakeholders have different views on the topic. The focus of the study is what can be done to slowly turn things around and make progress. Many stakeholder groups, even between segments that may feel like they have divergent interests/opinions were each voicing similar opinions that there is opportunity for improvement in the region (southwest and nearby states) for a better racing industry.

One area we focused on was the race meets and circuit potential in the area and New Mexico. Of course, very short meets like SunRay Park are not desired by the horsemen for issues most stakeholders can agree on. There was strong interest in split meets in the state while stakeholders were aware of some of the challenges. There was a general consensus that this was positive. Some were even receptive to working with other jurisdictions for both breeding industry cooperation and racing cooperation.

There was a consensus that there are only a few trainers that have mixed breed stables but recognition that the few that do, split meets, would present hardship for them or they would need to seek new ideas to compete.

Another area of strong agreement was that the purses were good and quite competitive in the region for racing. With the declining number of Thoroughbred races there was concern from those with Thoroughbreds that the purse balance was shifting too far in favor of the Quarter Horses.

We also asked many interviewed, if the New Mexico bred was competitive with other regional state-breds (not all states, or open races but specifically against regional state-breds like AZ, CO, IA, LA, OK TX.) In almost all cases the opinion of the New Mexico bred was positive and they felt just competing against another regional state-bred the New Mexico bred was competitive (we specifically stated we were not talking about KY, FL, NY bred but nearby states).

There was a general feeling that the Quarter Horses were competitive almost anywhere but still positive thoughts regionally about Thoroughbreds. Most felt the New Mexico Thoroughbred was better than Colorado bred, either better or equal to Arizona bred and competitive with Texas bred and equal or close to competitive with Oklahoma bred.

We tried to explore how the tracks and horsemen relationships and cooperation was, but this was one area where opinions differed and often it depended specifically on a track-by-track basis and on what issues specifically.

There were several unfavorable opinions on how the NMRC is carrying out their mandate. Some disagreed with the NMRC interpretation of rules/statutes. This study does not have a legal focus but looks for how to improve even if it means changing rules/statutes. We hope that stakeholders will look at recommendations and not the past and consider can ideas presented be discussed and rules/statutes changed (even if on a temporary basis to grow back segments that have declined significantly) in a way similar to recommendations that consensus can be reached. If consensus can be reached, we feel that legislators would be receptive to the limited need for rule/statute changes because most are internal to the industry and RGE believes would have little to no impact on others outside the industry in the state.

One other related concern was expressed by some and that was about corruption, drugging, paper trainers, and testing in the state.

Of course, some expressed concern with the immediate problem of Ruidoso only running Quarter Horses, again the focus of this report is moving forward and not examining causation of current issues.

We will end this appendix with one stakeholder comment when asked what the greatest challenge is, one person responded: trying to align so track owners/horsemen/commission are happy. We will slightly disagree with the last word (happy) and restate something previously mentioned in the strategy segment of the study: "To reach win-win outcomes, all parties to an agreement must be willing to make concessions and/or give something up, too."

Appendix #4 Daily Racing Form (DRF) Data & Methodology for Reporting Statistics by Breed

Data used for this analysis included detailed race chart data from Equibase, the source of information published in Daily Racing Form (DRF) race charts and past performances. The New Mexico Racing Commission provided address information of owners, trainers and stable partners. Addresses of North American racetracks and New Mexico's racing participants were geocoded using the Google Maps API, enabling geographic analysis of horse racing in New Mexico and the migration and performance of New Mexico's racing participants throughout North America. Race data was managed and analyzed, in large part, using the R statistical programming language.

DRF Race Starter Breeds

DRF categorized each starter as one of five breeds: Arabians (AR), Appaloosas (AP), Paints (PT), Quarter Horses (QH) and Thoroughbreds (TB).

DRF Race Breeds

DRF categorized each race as one of four breeds: Arabian (AR), Mixed (MX), Quarter Horse (QH) and Thoroughbred (TB). Race breed categories were not all represented in every state or every year within each state. Multiple horse breeds started in mixed breed races and Quarter Horse races.

ARABIAN RACES

All Arabian races comprised only Arabian starters. Arabian races were hosted in California, Colorado, Delaware, Maryland and Texas.

MIXED BREED RACES

Mixed breed races were hosted in 9 states or provinces and were most prevalent in Alberta, California, Oklahoma and Texas.

QUARTER HORSE RACES

Quarter Horse races were hosted in 25 of the 41 states or provinces in the data. In some states, Quarter Horse race starters comprised only Quarter Horses, and in other states, Quarter Horse race starters comprised varying combinations of Appaloosas, Paints, Quarter Horses and Thoroughbreds.

THOROUGHBRED RACES

All Thoroughbred races comprised only Thoroughbred starters. Thoroughbred races were hosted in 39 of the 41 states or provinces in the data.

METHODOLOGY FOR REPORTING RACING STATISTICS BY BREED

Quarter Horses and Thoroughbreds were the primary focus of this report. Differences between race breeds (arbitrary race categories) and horse breeds (specific to each starter) can be confusing when summarizing race-level statistics. For example, total earnings from Quarter Horse races is not necessarily the same as total earnings among Quarter Horses, since multiple breeds competed in Quarter Horse races. Therefore, statistics for each starter's breed are summarized separately from statistics for each race breed.

The methodology used in this report to aggregate and summarize statistics for starters' breeds and their owners, trainers and jockeys is as follows:

- Starts and earnings by breed were aggregated by starters' breed regardless of race breed.
- Race level statistics, including mean and median starts, earnings and field size by race, were aggregated by race breed. For example, we wouldn't say Quarter Horse race's total earnings (i.e., purses) were \$600 (amount won by Quarter Horses) when total earnings for all breeds that started in the race were \$30,000.

Since only Thoroughbreds started in Thoroughbred races, the methodology primarily applies to Quarter Horse statistics. Where practical, the specific methodology applied has been noted in this report.

The DRF data includes the variable "Restrictions," which is reported at the race level. Restrictions were listed as one of the following:

- Blank: Unrestricted
- "A" Auction
- "O" Ontario-bred (1 race only)
- "R" Restricted "Miscellaneous"
- "S" State-Bred

A variable "Restrictions" was added to the starter data, such that each starter in a race with Restrictions = "S" had a "State-bred" variable = "S". Some states' definitions of state-bred races allowed horses foaled in multiple states to compete.

Single-race exotic and WPS wagering was summed to compare the attraction of state-bred vs. unrestricted races. The 2021-24 DRF exotic pools included 13 single-race and 16 multi-race wager types. Multi-race exotic pools are reported in the final race of the wager. The size of a multi-race exotic pool depends on field size, day of week, racing surface, breed, weather, stakes race activity, carryovers, etc., making it difficult (and beyond the scope of this project) to isolate each individual race's impact based on the total multi-race wager.

The 2021-24 DRF exotic pools included 13 single-race and 16 multi-race wager types, as listed in the following tables. About one-third of the wager types refer to the same wagers by other names, e.g., Exacta = Exactor and Trifecta = Triactor. Multi-race exotic pools are reported in the last race of the wager. The total pool for a multi-race wager depends on numerous factors, including field sizes, day of week, racing surfaces, breeds, weather, stakes race activity, carryovers, etc., making it difficult (and beyond the scope of this project) to isolate each race's impact on the total multi-race wager.

Figure 125 DRF Single-Race Exotic Wagers

Exotic Wager Type	Description
Exacta	Pick exact order of finish of first 2 finishers
Exactor	Pick exact order of finish of first 2 finishers

Future Wager	Typically, a wager on future winner of Kentucky Derby
Omni	Pick two horses to finish among first 3 finishers
Omni/Swinger	Pick two horses to finish among first 3 finishers
Perfecta	Pick exact order of finish of first 2 finishers
Quinella	Pick first 2 finishers regardless of order of finish
Roulette	Pick color group of winning horse: red, black or green
Super High Five	Pick exact order of finish of first 5 finishers
Super High Five Jackpot	Pick exact order of finish of first 5 finishers
Superfecta	Pick exact order of finish of first 4 finishers
Triactor	Pick exact order of finish of first 3 finishers
Trifecta	Pick exact order of finish of first 3 finishers

Figure 126 DRF Multi-Race Exotic Wagers

Exotic Wager Type	Description
Consolation	
Double	Consolation daily double payout when nobody wins daily double
Consolation Pick 3	Consolation Pick 3 payout when nobody wins Pick 3
Daily Double	Pick winner of 2 consecutive races
Grand Slam	Pick a top 3 finisher in 3 consecutive races, and winner of 4th race in sequence.
Pick 3	Pick winner of 3 consecutive races
Pick 4	Pick winner of 4 consecutive races
Pick 4 Jackpot	Pick winner of 4 consecutive races
Pick 5	Pick winner of 5 consecutive races
Pick 5 Jackpot	Pick winner of 5 consecutive races
Pick 6	Pick winner of 6 consecutive races
Pick 6 Jackpot	Pick winner of 6 consecutive races
Pick 7	Pick winner of 7 consecutive races

Pick 8	Pick winner of 8 consecutive races
Place Pick All	Pick horse among top 2 finishers in 8 to 10 consecutive races
Twin Trifecta	Pick first 3 finishers in a race with option to pick first 3 finishers in a 2nd designated race
Win Four	Pick winner of 4 consecutive designated races
