

# Florida Thoroughbreds: Quality Gets the Win

By Steve Koch

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Using foal crop as the primary metric for a state's thoroughbred industry health fundamentally misunderstands modern thoroughbred economics. Florida's breeders have optimized for quality in response to market signals, maintaining a consistent share of Florida starters - four out of every ten runners - for many years.<sup>1</sup>

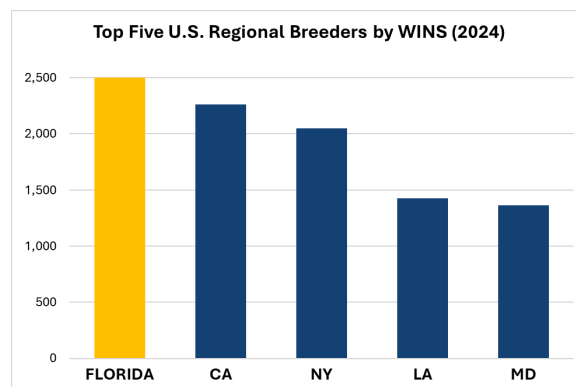
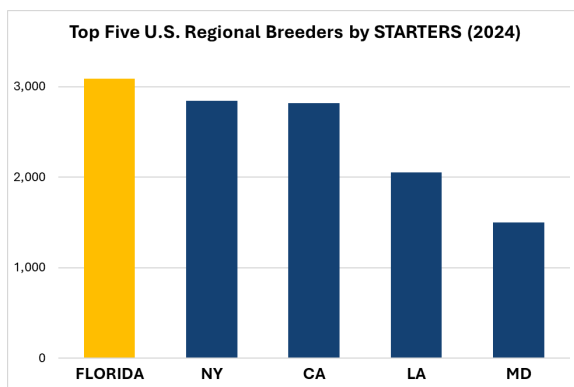
Florida's thoroughbred industry generates a remarkable \$3.24 billion in annual economic impact – much more than four times the estimated effects of Florida's beef cattle ranching and farming industry<sup>2</sup> – while supporting 33,500 jobs.<sup>3</sup>

This substantial economic footprint firmly establishes Florida as the producer of North America's second most valuable thoroughbred product, behind only Kentucky's historic industry. Shifting to an "animals per acre" ranching (volume) model rather than a "miles per hour" quality model would devastate this economic engine.

## A Premier Export Economy

Second only to Kentucky, Florida-breds dominate national performance metrics as the leading regional producer of:

- starts and individual starters,
- total wins,
- open stakes victories, and
- graded stakes wins.<sup>4</sup>



<sup>1</sup> The Florida Thoroughbred Breeders' & Owners' Association

<sup>2</sup> University of Florida, Food and Resource Economics Department. [2019 Economic Contributions of Agriculture, Natural Resource, and Food Industries in Florida](#).

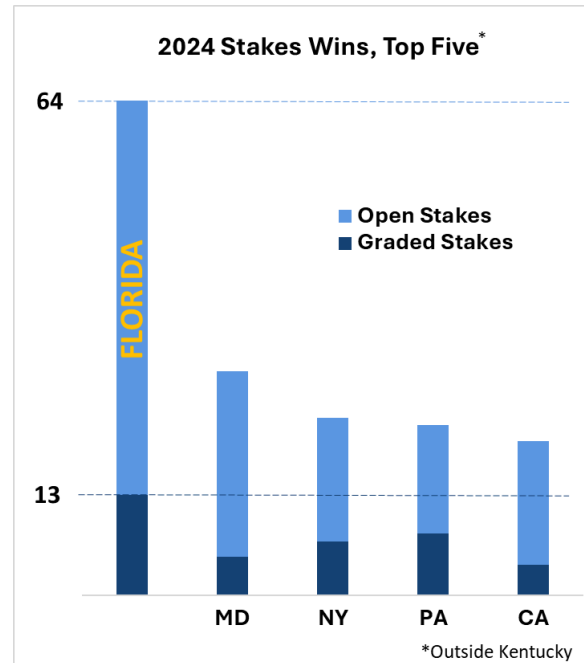
<sup>3</sup> American Horse Council Foundation 2023, [Economic Impact of the Florida Horse Industry 2022](#)

<sup>4</sup> The Jockey Club [State Fact Books](#), 2025.

Florida's tenacity at the very highest levels of racing is especially striking. Florida-breds nationally won 64 open stakes races, including 13 graded stakes in 2024, dramatically outpacing other regional breeding programs. Maryland (29 open stakes, 5 graded), New York (23 open, 7 graded), Pennsylvania (22 open, 8 graded), and California (20 open, 4 graded) all trail far behind Florida's elite performance.<sup>5</sup> This superior concentration of purses and prestige further validates Florida's focus on quality over quantity as a national export.

The FTBOA estimates that up to 75% of all U.S. juvenile racehorses train in Florida, establishing the state as the undisputed epicenter of thoroughbred development.<sup>6</sup> This concentration creates substantial economic inflows as owners from across the country and around the world send their horses to Florida for development, creating high-value employment that cannot be easily replicated elsewhere.

Florida's products – both the horses themselves and their specialized training – represent premium exports that generate substantial returns both within and beyond Florida's borders.

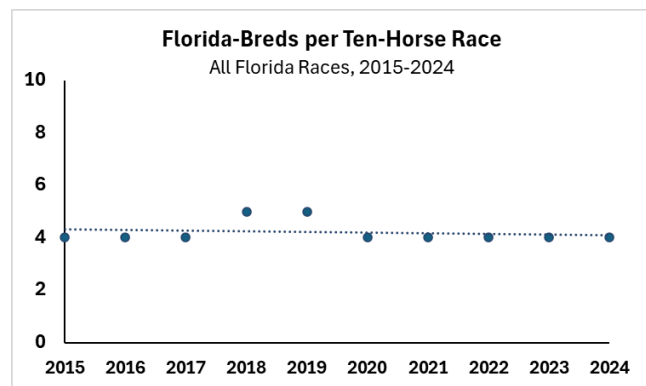


## Economics of Quality: 40-40-40

The thoroughbred industry operates on a winner-take-most economic model, where approximately 60% of race purses go, by design, only to race winners.<sup>7</sup> Breeding for a horse that finishes 10th, 11th, or 12th plans financial loss with no possible returns. Fundamental racing economics demand a focus on quality over quantity.

Florida's breeders have mastered this balance, as evidenced by the "Florida-Breds per Ten-Horse Race" chart. For many years, Florida-breds have maintained remarkable consistency in the marketplace:

- Filling 40% of the Florida starting gates (4 out of every 10 horses),
- Winning 40% of Florida races,



<sup>5</sup> The Jockey Club [State Fact Books](#), 2025.

<sup>6</sup> [The Florida Thoroughbred Breeders' & Owners' Association](#).

<sup>7</sup> [Gulfstream Park Condition Books 2025](#), page 27. [Tampa Bay Downs Condition Books](#) 2025.

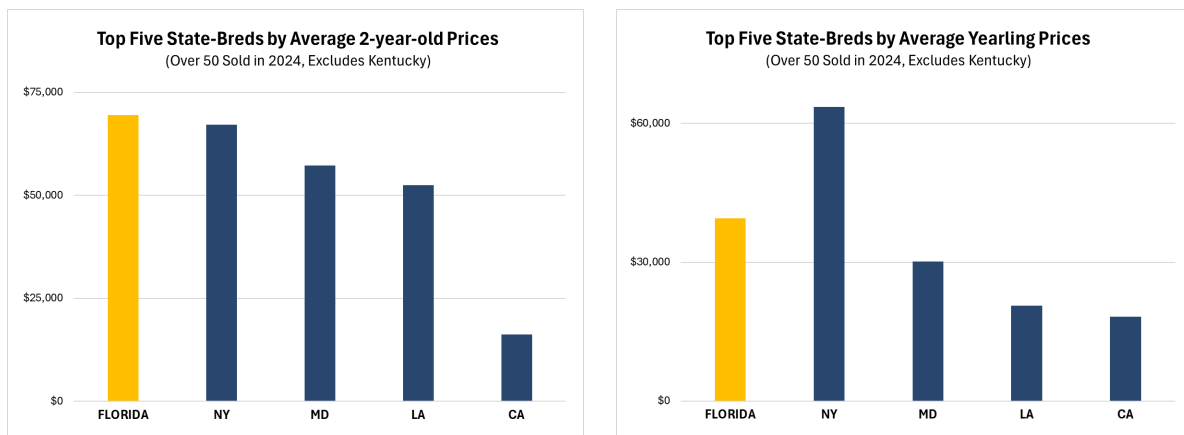
- Earning 40% of Florida purses, and
- With 73% of those Florida wins coming from Florida-sired horses,<sup>8</sup> and
- Almost all of this in open, nationally competitive, race conditions.

This consistent, many years-long, 40-40-40 pattern demonstrates that Florida's thoroughbred program has achieved a sustainable equilibrium that maximizes economic returns while maintaining quality. The industry has neither overproduced beyond market demand nor underproduced relative to opportunity.

This optimal balance has been maintained through numerous industry challenges (e.g., decoupling and historical track closures), underscoring the resilience and strategic adaptation of Florida's thoroughbred breeding sector.

## Market Validation

The paired charts "Top Five State-Breds by Average 2-year-old Prices" and "Top Five State-Breds by Average Yearling Prices" reveal Florida's strategic market positioning and specialization<sup>9</sup>:



- **Two-Year-Old Market Dominance:** Florida-bred two-year-olds achieved the highest average price among all major regional markets in 2024, significantly outperforming New York, Maryland, and especially California.
- **Yearlings:** While New York – invigorated by state and racetrack support – leads in yearling prices amongst all regional breeders, Florida maintains a strong second place, well ahead of Maryland, California and others.

Florida has optimized its breeding and development programs to excel in the two-year-old market, where it leverages unparalleled juvenile training infrastructure to create additional value.

<sup>8</sup> The Florida Thoroughbred Breeders' & Owners' Association

<sup>9</sup> The Jockey Club [State Fact Books](#), 2025.

The stark contrast between Florida's strong market position and California's drastically lower prices in both categories is particularly telling, especially considering California's historically larger foal crop. This demonstrates that raw foal crop has insufficient correlation with economic value – quality, not quantity, drives market success.

## A Cautionary Tale

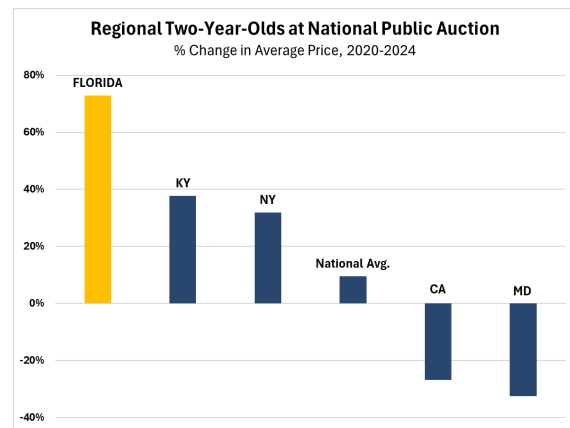
Comparative auction results by state<sup>10</sup> provide compelling evidence that the racing and breeding industry may thrive within a complementary state business framework. Using national two-year-old markets for years 2020 through 2024, for example:

- Kentucky, with its stable racing environment and burgeoning purses, showed 38% price growth.
- New York, with consistent state investment and strong racetrack operator support, experienced 32% growth.

However, California and Maryland, both experiencing market disruptions, saw *declines* of 27% and 32%, respectively.

Clearly, buyers respond to stable, supportive environments by investing more heavily in horses bred in those jurisdictions.

Rising above the fray, Florida's resilient two-year-old specialists have shrugged off repeated market shocks, such as legislative decoupling attempts, on their way to nationally leading price increases of over 73% across five years, from \$40,191 (2020) to \$69,507 (2024).<sup>11</sup>



## Conclusion: The Decoupling Paradox

How is it possible that the second most valuable thoroughbred product in North America has been used as an excuse for destabilizing and rushed decoupling legislation? This paradox ignores how Florida thoroughbreds exemplify strategic adaptation to market forces, where quality over quantity generates substantial economic returns for both horsemen and the state. Any legislation that fails to recognize this sophisticated positioning risks undermining one of Florida's most valuable agricultural assets.

<sup>10</sup> The Jockey Club, [State Fact Books](#), 2025.

<sup>11</sup> The Jockey Club, [2025 Florida Fact Book](#), 2025.