



MICHAEL J. MARTEN/HORSEPHOTOS

Awesome Again leaves the breeding shed at Adena Springs, where owner Frank Stronach is putting his own stamp on Kentucky's commercial Thoroughbred marketplace.

Road less taken leads to Adena

By GLENYE CAIN

Frank Stronach has long been known as an iconoclast in the Thoroughbred world. He has always seemed to relish taking on the old-school racing and breeding establishment. He has tweaked the noses of powerful racetrack companies and stallion owners. He has bluntly referred to racing organizations and the sport's traditional elite as "clubbish," and he has called for more democracy in the sport's leadership.

But in his years as a gadfly, Stronach has amassed powerful assets in the Thoroughbred business: prime land in Woodford County, Ky., classy bloodstock, and 10 racetracks, including such jewels as Gulfstream Park in Florida and Santa Anita in California.

In short, Stronach has become an influential part of the establishment.

In 2005, he joined elite company by winning his third Eclipse Award as outstanding breeder. Only one other breeder, Prince Khalid

Abdullah's Juddmonte Farms, has won more. Stronach also earned his fifth Sovereign Award as Canada's leading breeder, becoming the first one to win the Eclipse and the Sovereign breeders' awards in the same year. Two of the stallions based at his Adena Springs farm near Midway, Ky., were among North America's top 25 sires by progeny earnings in 2005: El Prado ranked fifth and Awesome Again ranked 23rd. Two other Adena stallions, Running Stag (who stands at Adena Springs South in Florida) and Golden Missile, ranked 13th and 14th, respectively, among second-crop sires.

This season, Adena will introduce Stronach's homebred Ghostzapper, the 2004 Horse of the Year and the most prominent son of Awesome Again, to its Kentucky roster.

That's not to say that Stronach, 73, is ready to count himself as a member of the Bluegrass insiders' club. With his forthright manner and entrepreneurial willingness to break a mold, Stronach still has a whiff of the revolutionary

about him. Instead of propping his feet up atop his hard-won breeding empire, Stronach is retooling the operation.

Stronach recently sold a 640-acre parcel of land to breeding newcomer Jess Jackson of Stonestreet Stable and bought a 2,000-acre cattle farm near Paris, Ky. That land, Stronach says, will become the new Adena Springs base, built from scratch in state-of-the-art style. His other farms, in Canada and Florida, will remain important to his international program, mainly as training bases, although Adena Springs South in Florida also stands stallions. All three facilities can house mares.

"We have a high overhead," Stronach said in a recent interview. "We have three farms, and it's cumbersome. At the time when I bought the farms, I wasn't quite sure what size they were going to be or the right formula for them. That has crystallized in my mind now."

Having arrived at the pinnacle of North American Thoroughbred breeding, Stronach is

now set on inviting more people to participate in it. He is aggressively marketing his stallions and his bloodstock, with an emphasis on transparency in every transaction.

"We're going to race some horses, we're going to breed some horses, we're going to sell some horses, and we're going to buy some horses," he said. "But the principle is that everything should be open. All our weanling and yearling crops will be offered for sale with the exception of a few fillies which we think we can't replace. But everything else is for sale. It's a very clear strategy. We don't hold anything back. Because we're the leading breeder, that means we'll be selling a lot of nice horses. And I think we will increasingly be selling nicer and nicer horses."

In the last several months, Stronach has hired Dr. George Mundy as Adena's general manager in Kentucky and brought in a market-

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ing director, Jim Cullen, to assist in promoting the operation's stallions. Stronach also has announced a new breeding incentive program for 2006, promising to give mare owners a 20-percent discount on stud fees for 10 of Adena's stallions if the owners nominate their mares early, before the stallions' books are 75 percent full. And, in Canada, he's partnering with the University of Guelph's veterinary school to build a new public equine clinic on Adena property in Aurora, Ontario.

Clearly, the energetic Stronach – he says he plays tennis daily and also skis moguls – is also a restless entrepreneur. His goal now is to maximize Adena's visibility, not just as a successful homebreeding operation but also as a proven commercial source for racehorses.

"Wherever there's an Adena outpost, he's made it clear that he wants to be the best," said Cullen. "He's dedicated the resources to that. He's innovative in everything he does, and he does not look at things conventionally."

Stronach is used to building and revising empires. He first did it when he emigrated from his native Austria to Canada, arriving by ship in 1954 with few assets besides his experience as a tool-and-die apprentice. Just five years later, Stronach launched an automotive parts manufacturing business. The business ultimately grew into Magna International, a company that does about \$6 billion in annual sales. More recently, Stronach's Magna Entertainment has become the country's largest racetrack operator and a major force in the parimutuel business.

Stronach's self-made style also applies to his Thoroughbred breeding operation. Two decades ago, he was little known outside of Canada. He made his first foray into Kentucky's breeding business in 1989, when he purchased about 640 acres outside Versailles. The Kentucky operation eventually grew to cover more than 1,800 acres, and Stronach now has a total of 17 stallions and approximately 475 mares at his farms in Kentucky, Canada, and Florida.

Still, many Kentucky breeders considered the Adena operation less a commercial concern than Stronach's homebreeding project. That image began to change in the 1990's, when Stronach began offering horses at auction every year in conjunction with Fasig-Tipton Kentucky's November mixed sale. The one-night sale proved to be an effective marketing tool that got the foals of Adena's stallions into sellers' hands. It also brought those sellers back to Adena stallions, because Stronach offered a free season with each mare sold.

The Adena stallion roster reflects Stronach's outside-the-box thinking. Among the new horses in 2006 is North Light, winner of the 2004 Epsom Derby, hardly a usual prospect for Kentucky's largely commercial breeders, who tend to avoid turf runners in favor of early-maturing dirt performers. But several factors may play in North Light's favor. He is by Danehill, a world-class sire whose blood is not widely available in North America. Stronach owns North Light in partnership with some European investors who, like Stronach, will commit mares to the horse, giving him a chance at success on both sides of the Atlantic. And, Cullen said, traditional turf pedigrees might prove more valuable as the Polytrack racing surface becomes more widely used.

Stronach has taken the road less traveled before, right to national breeding titles. He's gotten there, Cullen said, by focusing on getting runners rather than on high fashion for the auction ring.

"When you look at him as leading breeder," Cullen said, "he's done it predominantly with the stallions standing here. There are no Storm Cats. There are no Gone Wests. Basically, he's making his own stallion lines."

Stronach still races homebreds, but he has increased his presence as a seller, too. In addition to the broodmare sale at Fasig-Tipton every fall, he now also conducts a spring 2-year-old sale at Adena Springs South.

Stronach is placing strong emphasis on transparency in all those transactions, a priority he shares with his new partner Jackson, who last year purchased significant interests in Ghostzapper and Awesome Again. Jackson has been outspoken in his opposition to the backroom deals and kickbacks sometimes seen in public and private transactions.

"We want to establish that we raise good horses, and the house won't do any bidding," Stronach said of Adena. "At our 2-year-old sale, the auctioneer gets a price list about a half an hour before the sale, and we do not bid on our horses. We don't play any games. You want to have a great reputation of being honest and open. We want to establish a reputation that we are good horsemen and good operators that produce great racehorses."

"We don't want any playing around, no games. At our 2-year-old sale, as long as you leave the horse on the grounds, you've got 48 hours to change your mind, no questions asked. If you double-check it with your vet and don't like it, we'll take it back."

And race it.

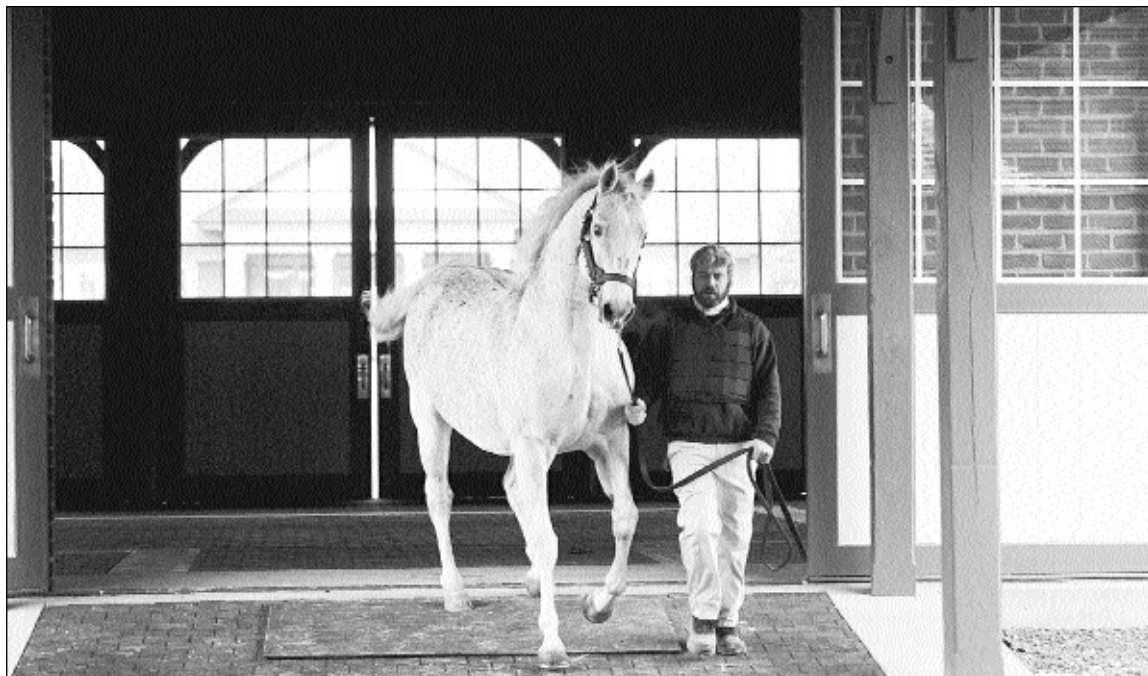
"One of our main objectives is to try to redefine what 'commercial' means in the truly open marketplace," Cullen said. "It isn't a sale average, it isn't necessarily a pinhook average. It's performance on the racetrack, specifically stakes winners. . . . That's where we're succeeding, and we'll let the chips fall where they may in the sale ring."

The plan for Adena's new headquarters at a former cattle farm in Paris also reflects Stronach's impulse to build from scratch.

The project is in its design phase, Mundy said, and will take at least a year to complete. When it's done, the entire Adena Kentucky operation will relocate to Paris.

"When you grow, which has happened here, you kind of patchwork things together," Mundy said. "This is an opportunity to design it the way he wants to

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PHOTOS BY MICHAEL J. MARTEN/HORSEPHOTOS

From the top, the stallion El Prado awaits his turn in the breeding shed at Adena Springs. After El Prado is led to the breeding shed, he approaches Cargo, the mare selected to be bred to him.

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design it, for functionality.”

The design is another example of how Adena's owner and Stronach's advisers think outside the box, or, in this case, the barn, looking for ways to improve function. The broodmare barns will be designed with four foaling stalls in them, which will allow mares to stay in their usual surroundings rather than be moved to a foaling barn when they give birth. Maintaining continuity in a horse's life will likely be a unique theme of the Paris facility, Mundy noted.

“When you have this many horses, there's always a lot of horse movement, and with movement comes stress,” he said. “Part of the design there is to group horses and keep them in those groups for as long as we can. The field design, the barn design keep that in mind. We can group mares by next year's foaling date so they'll form a herd. We foal them together, they get weaned at about the same time. They can know each other and be comfortable, and there's limited contact with horses being introduced into the herd, with all the renewing of the pecking order that comes with that.”

All the facilities, from Canada to Kentucky to Florida, will cover a total of about 8,000 acres and provide a seamless in-house circuit for Adena horses.

“It's a simple concept,” Mundy said. “In Canada, we foal a number of mares, but then

those mares come down to the States, depending on where they're going to be bred. The Canada facility is our main facility for retired horses and training horses. Kentucky is a stallion-broodmare base. We foal a lot of mares here, and once the foals are weaned, everything goes down to Florida. In Florida, we have a broodmare division for mares there to be bred to our Florida stallions, and all our horses from weaning through breaking are in Florida. We also have a training center there.”

It is a comprehensive program that has yielded grand results so far. With multiple Eclipse and Sovereign imprimaturs, the Adena breeding program appears poised to make even greater commercial inroads now. But, for Stronach, it is less about the money than it is about the sport and, to use a term he coined in his Magna operations, “fair enterprise.” It is, he says, about opportunity for himself and the breeders and buyers who patronize the Adena brand.

“I want to produce the fastest racehorses and have fun,” he said. “And I want to have people buy racehorses from us that also are fast and do well. Racing and the horse business are a business of love. I would be in it even if I would lose some money.”

“In the final analysis, if you do things right, then it will also be economically right. But you must do things right. You can't take a shortcut.”



North Light (top) has joined Ghostzapper as a new member of Adena's stallion roster, which reflects the farm's unorthodox approach. North Light, winner of the 2004 Epsom Derby, is a son of Danehill – not a typical pedigree for Kentucky's largely commercial breeders.