Throughout the 2013 Fall Semester and 2014 Spring Semester, I was fortunate enough to work with Three Chimneys Thoroughbred Farm (TCF) as the Sales Team’s International Business Development Intern. This position was to fulfill the practicum component to my Master of Arts degree in International Affairs with a concentration in International Development and Globalization through Middle Tennessee State University (MTSU). From September 2013 -January 2014 I worked five sales for TCF in the Lexington, KY area at either the Keeneland Racecourse and Sales Co. or the Fasig Tipton Auction House.

Detailed in this report will be discussions concerning the numerous aspects that comprise the international Thoroughbred racehorse industry while exhibiting why an internship in this global sport is relevant to my international affairs studies in development and globalization at MTSU. As a precursor to all of this, the portion immediately following seeks to present the reader with a general overview of horse racing’s prominence in the international community through breeding, racing, and wagering. The sport’s growing markets and revenues, prospering business practices, evolving cultural and economic traits via globalization, and the multitude of both individuals and industries that benefit from horseracing will be covered. The remainder of this practicum report will consist of a history and overview of the three companies I was involved with throughout this practicum assignment, the practicum parameters, a general overview of my duties while at TCF, and a detailed discussion pertaining to the developing Thoroughbred industries of several countries. This will be followed by challenges I encountered throughout this experience, an evaluation of TCF, and discussion of the academic and career connections I
feel I developed throughout this experience. I will then detail a personal evaluation of my performance during this internship and conclude with closing remarks.

Thoroughbred horseracing, known as the King of all sports, is one of the world’s oldest sports evidenced by its popularity with the Roman Empire and presence in the Ancient Greek Olympics. Today this global industry, confirmed by the establishment of the International Federation of Horseracing Authorities (IFHA) in 2003, the Jockey Club in 1981 and numerous other international organizations responsible for the Thoroughbred industry’s management and maintenance. In 2013 the sport enjoyed more than 162,000 annual race meetings in 65 countries. With tracks awarding over $1.5 billion in purses to victors in 2013, some of the most prominent of these races are the Irish Derby, the English Grand National, the Dubai World Cup, the US Breeders Cup World Championships and the coveted Triple Crown.¹

Thanks to technology, bettors are no longer confined to wagering at one track but now, due to simulcasting, can bet on live horse races comprised in virtually any time zone. Gambling revenue supports the operation of racecourses around the world as well as the purses that are awarded. $113.1 billion was wagered at the world’s racetracks in 2012, up 1.9% from 2011. Of this percentage, it comes as no surprise that Asian countries accounted for 61.24% of the world’s total wagers. Asia has enjoyed a recent increase in shares for all racing sectors- a clear reflection of its emerging economic power in the world. While European and U.S. economies are approaching market maturity, Asian economies are gaining momentum. Also gaining strength is the sport’s economic influence through its

¹ Comprised of the Kentucky Derby at Churchill Downs in Louisville, KY; the Preakness Stakes at Maryland’s Pimlico Race Course; the Belmont Stakes at Belmont Park in Elmont, NY.
value chain. Here, there exist countless additional industries such as veterinary services, stock transport, training and breeding programs, tourism, and hospitality that all rely on the Thoroughbred industry for their existence.2 Additionally, individuals active in this often labor intensive industry that possess a wide range of skill sets include breeders, owners, jockeys, auctioneers, stablehands, exercise riders, administrators, punters and even the spectators.3

As of 2013, there existed Thoroughbred racehorse breeding operations in 60 countries with 22 of those countries possessing over 1,000 broodmares.4 A brief overview of the Thoroughbred racehorse industry's continued growth in breeding, sales and wagering confirms an active elimination of the overabundance of bloodstock, plaguing the industry since the recent recession, in the world's markets which has resulted in increased quality and improved prices. For all Yearlings sold at North American auctions, which is the overarching regional leader in the world for Thoroughbred horse sales, the average price in 2013 of $60,025 per horse is the highest ever recorded by the Jockey Club increasing $7,000 from 2012 with an overall price increase of 24.8% over the last decade (2003-2013). The same trend is apparent in broodmare sales, where the average price in 2013 was $81,937, also the highest price ever recorded.5 In 2013, 2,348 mares sold for a total of $192.4 million compared to the year prior when 100 less were sold for only $115.4 million.

2 More industries involved in the sport: training centers, mare boarding, stallion managers, gambling simulcast centers, bloodstock agents, ground and air transportation services, quarantine specialists, barn and fence construction, farriers, equine podiatrists and acupuncture specialists, insurance agents, pasture upkeep, pest control, suppliers for farm equipment, tack, medicines, hay, feed, and bedding, horse farm tour companies, jockey and groom training programs, retirement and rehabilitation centers, horse publications and broadcast networks, equine jewelers, and clothiers.

4 Argentina, Australia, Brazil, Canada, Chile, France, Germany, Great Britain, India, Ireland, Italy, Japan, South Korea, New Zealand, Philippines, Peru, Russia, South Africa, Turkey, U.S., Uruguay, and Venezuela.

5 The closest the North American industry has ever come to the current figure was 2007's broodmare average of $11,000 less.
Overall, broodmares have enjoyed an astronomical price increase of 85.3% over the last decade, a raw display of emerging markets’ desire for quality mares.

As markets continue to gain success and access to existing Thoroughbred industries via the globalization phenomena and its forces such as increased trade openness with decreased tariffs, and emerging regional and free trade agreements- financial barriers are ceasing to be problematic, thus allowing ideas, skills, and bloodstock to flow at an increasingly free rate. Through Thoroughbred racing and breeding, all involved in the sport will experience increasingly broad outlooks and traits of the globe’s political economy as companies such as TCF attempt the sizeable task of keeping up with this rapidly evolving and multifaceted market that still has quite a bit of development to undertake but is nonetheless, off to a fantastic start.

**HISTORY:**

When Great Britain’s immigrants brought an appreciation of horse racing with them to America, the US’s first racecourse, Newmarket (named after the original site in England), opened in 1665 on Long Island. Many founding fathers and colonial aristocrats were avid supporters of horse racing until the British Jockey Club passed an act in 1913 prohibiting any Thoroughbreds with unproven ancestry to the breed’s foundational sire from registration in the General Stud Book. This deterred Americans- seeking refuge from the US’s ban on wagering- from exporting supposedly ‘impure’ bloodstock to Great Britain. From the time this act was outlawed in 1949 to today, the sport-business of breeding and racing Thoroughbreds has become increasingly globalized.
Today's sport is geographically varied: the world's richest race, the Dubai World Cup, is held in the Middle East; Hong Kong and Japan are home to some of the most prolific gamblers; the world's leading breeding sire, Galileo stands in the Golden Vale of Ireland's County Tipperary and his retired, undefeated son- Frankel stands at a Saudi prince's farm in Newmarket, England while Kentucky is home to the most prestigious auction houses in the world.

Three Chimneys Farm (TCF) began in 1972 as the small family farm of Mr. and Mrs. Robert Clay in central Kentucky. The Clays began consigning yearlings at Keeneland's annual September Sale the following year, and worked solely for Kentucky clients for a decade until the relationship with an Australian client, Segenhoe Farm, fostered the Clays to enter the international market. The Clays furthered Three Chimney's international presence in the late 1980's with the inauguration of the farm's stallion division with which they campaigned world class breeding stock such as Seattle Slew and Dynaformer. By the mid 1990's, the farm was active in hemispherical breeding seasons and home to broodmares and their offspring from over 20 countries with a rapidly growing consignment sector for international customers, namely the Japanese, Australians, and British.

Today, the TCF brand is recognized worldwide and comprised of broodmare, stallion, and consignment divisions encompassing over 2,000 acres in Kentucky with additional offices in Tokyo, Dublin and London. The TCF sales team are an active consigner in most of the nation's top Thoroughbred public auctions including the four annual Keeneland sales as well as Fasig Tipton sales that are held in Lexington, KY, Saratoga, NY
and Ocala, FL. In 40 years TCF has sold bloodstock with a total value of roughly $500 billion, securing the farm’s position as an internationally respected Thoroughbred operation that attracts customers from all corners of the world.

Established in 1943, Keeneland is known for both its internationally renowned racecourse and as world’s leading Thoroughbred auction and sales company. Also situated in central Kentucky, the location is a result of the Governor of Virginia, Patrick Henry, gifting a land grant to the Keene family, which was passed down for many generations and today is apart of the Keeneland property. From proceeds of the September Yearling Sale, the November Breeding Stock Sale, the January Horses of All Ages Sale and the April Two Year Olds in Training Sale, coupled with a successful simulcast facility, Keeneland racecourse is able to offer millions in purse money for the more than 400 races held annually. Comparatively, Keeneland has sold the most Breeders’ Cup World Championship winners (83) and Kentucky Derby winners (19) than any other organization in the world. The recent successes of Keeneland’s sales derive mainly from the organization’s decade-long international marketing techniques that have proven extremely successful in attracting international clients to the region from over 50 countries. In 2013, Keeneland’s global brand attracted international clientele from world regions such as Europe, the Middle East, Central and South America, Australia, Asia, South Africa, Russia and India.

Fasig Tipton, the world’s oldest auction house, is headquartered at their state of the art facility in Lexington, KY where two yearly sales are held, the October Yearling Sale and the November Select Sale; a year-round sales schedule for auctions across the country is also initiated from these headquarters. In 2008, Synergy Investments, Ltd., a Dubai-based
company headed by Abdulla Al Habbai, purchased the sales company. Today, Fasig continues to increase its profile internationally with representatives in Australasia, Europe and South America that work to bring a multitude of international clients and their prized bloodstock to Kentucky.

Currently, the two sales companies and TCF operate year round in central Kentucky adding significantly to the 96,000 jobs within the state’s Thoroughbred racehorse industry. My time split between Keeneland and Fasig Tipton consisted of working directly with many migrant laborers, mostly from Central and South America, some of the industry’s most prolific Thoroughbred owners and trainers, the occasional country leader, and of course some of the most magnificent equine athletes in existence.

**Practicum Terms & Overview:**

I traveled the four hours to Lexington, KY for five sales throughout the 2013 Fall and 2014 Spring semesters: the Keeneland 2013 September Yearling Sale (September 9-20), the Fasig-Tipton Kentucky 2013 Fall Yearling Sale (October 21-23), the Fasig-Tipton Kentucky 2013 November Select Sale (November 4), the Keeneland 2013 November Breeding Stock Sale (November 5-15), and the Keeneland 2014 January Horses of All Ages Sale (January 6-9). In addition to working the duration of the sales themselves, I, along with the consignment team was present up to five days before and after the first and last auction sessions.

Typical workdays ranged from around 5:00am until approximately 6:00pm, but the uncertain circumstances of a public auction often necessitated longer days as needs and demands fluctuated. As required by Middle Tennessee State University’s Master of Arts in
International Affairs Program, I was to complete 240 hours while working with my practicum agency. Due to the duration of the five aforementioned sales and long workdays, I was able to amass a total of 500 ¾ hours during my time with Three Chimneys. I realize many of the practicum activities discussed in this report will be foreign concepts to many, and because of this I have included a glossary of notable terms at the end of this report. Additionally, the accompanying practicum journal provides an extensive account of the practicum, including detailed descriptions and explanations of my various responsibilities and activities with TCF as the Sales Team International Business Development Intern.

In an effort to account for my involvement with TCF and the resulting practicum, I will present a short history of my time with the company from its origination. I began work with TCF’s sales team in the winter of 2010 as the lowly ‘update girl.’ My task involved informing prospective buyers of any recent developments in a horse’s bloodline, such as recent accomplishments by siblings on the racetrack or in the breeding shed. From here I quickly progressed to the more hands-on mare crew where I was responsible for the maintenance, health and appearance of a group of broodmares during sales. Though this was much more labor intensive and rewarding, I continued my ascension. When the September Yearling sales arrived later that year, I was promoted to the position of assistant shed row manager. In this role, I was responsible for the majority of occurrences within the sale barn throughout a sale’s duration dealing with horses, employees, and clients. In this role I completed tasks that ranged from administering medications, cleaning stalls, to coordinating shows and appeasing owners, while managing a crew of roughly 50 international laborers. My role slowly evolved to a more customer-based platform where I eventually became the farm’s client coordinator. In this position, I was responsible for
taking each customer, discerning which horses they wanted to view and then coordinating a show time and paddock location with appropriate handlers for each equine. This position proved to be both rewarding and overwhelming as I would interact with an average of 400 customers a day, often upwards of ten at once.

From all of this grew my practicum position, as TCF’s Sales Team International Business Development Intern. Once I learned and experienced all I could on the domestic side of the business, the farm’s owner, Mr. Clay, thought it beneficial to expose me to TCF’s myriad of international clients. This worked out perfectly as we were able to work together, along with my practicum supervisor and TCF Sales Coordinator Richard Wright, on tailoring my role with TCF to my practicum requirements and future career goals, all the while remaining a valuable asset to TCF and their sales team.

During my practicum I was responsible for all international client development and coordination for TCF’s consignment. This entailed working with international buyers to customize their purchases to the needs of each client and respective industry, often of diverse stages of growth and development. In today’s international economy no one country’s Thoroughbred racehorse industry is similar since the forces of globalization across this international sport have resulted in industries experiencing differing stages and courses of growth. For example, the three oldest and most established regions of this industry are the state of Kentucky, the Upper Hunter in Australia, and Newmarket in the United Kingdom, a sharp contrast with some of the industry’s most promising emerging markets like Hong Kong, Brazil, and Russia. There are few similarities between these two
groups: the business practices, culture, ethics, economies, standards of living, equine infrastructure, and markets all possess vast differences.

Aside from the exciting task of scouring each sales catalog in search of bloodstock best suitable for my client's wants and needs followed by personally viewing hundreds of horses to evaluate conformation, I did not fully escape traditional and often mediocre tasks common to interns. My wide assortment of random duties ranged from paperwork and office tasks, foal delivery, retrieving large food orders as well as occasionally acting in a concierge-type role fulfilling client requests ranging from transportation, housing, and entertainment arrangements to pet and baby sitting.

**DEVELOPING THOROUGHBRED INDUSTRIES OF THE WORLD:**

The client list that occupied the majority of my time and energy was comprised of Jun Park from South Korea, the Yoshida brothers of Japan, and Sheik Mohammed bin Rashid al-Maktoum (Sheik Mo), the ruler of Dubai who was often accompanied by his brothers Sheik Hamdan and the late Sheik Maktoum. These established and respected clients brought an array of budgets and specifications to which purchases must be tailored. As each client's country lies at differing stages of development in their respective Thoroughbred industries, the goals these men wish to meet through their purchases differ. For a client dealing with an infant industry, proven foundational mares are a necessity in order to begin building a racehorse industry based on quality, established, and successful bloodlines from developed industries like America and Europe. Also, mares selected for these industries should ideally have a proven record of successful and trouble free stallion covers and foaling for the simple fact that weak industry infrastructure is a norm and thus
quality veterinary services are not as readily available in emergency situations. Contrastingly, well-bred yearlings that will (ideally) be competitive racehorses are wanted in mature industries where competition, quality, and prestige proportionately increase. Sheikh Mo for instance, hails from Dubai’s established Thoroughbred racehorse industry in the UAE, and yearns for young, fast, well-built colts\(^6\) from the most prestigious and expensive bloodlines that *should* win.

Jun Park, who purchases for K.O.I.D., the bloodstock division of the South Korean government’s Racing Authority (KRA), enjoys a relatively new (25 years old), yet stable market at home due to the favorable organization and support of racing by the South Korean government. Thanks to an ideal climate allowing year-round racing and improved protectionist policies that once enforced a spending cap of $20,000 per horse, an 8% base import tariff, and a 10% value added tax on all imported foals, the Korean market now possesses exponential growth. These policies existed in an effort to support Korean-bred racehorses but due to a free trade agreement between the US and Korea, all American imported sport horses will enter duty free by 2016 with lifted spending caps for all female horses while colts enjoy a $30,000 maximum.\(^7\)

Studying the numbers, compared to 2011, South Korean Thoroughbred imports in 2012 rose 17% to total $16.7 million, while the number of horses decreased by 71-signifying a transition to quality imports over quantity. Additional industry driving forces in place by the KRA consist of construction on a third racecourse/training center due to

---

\(^6\) Dubai’s industry is not interested in female horses. Sheikh Mo possesses many of the world’s best broodmares and thus is not in the market to raise fillies that maybe one day would be a valuable broodmare, he simply wants colts that can be retired to stud if they enjoy a successful racing career.

\(^7\) Developing industries have no need for stallions as they still rely on advanced industries for proven bloodlines with which to breed to.
open in 2016, the development of two stallion farms campaigning nine American stallions free of charge to select Korean based broodmares, and a binary race system that addresses the quality gap by splitting domestic and imported Thoroughbreds into separate, more equal races. Through this race system, local breeders are protected as the KRA strives to promote the development of locally bred horses in hopes of eventually rivaling the horses bred and trained in the more premier industries of the world.\footnote{This strategy is unique in that it still allows for individuals that invested in importing quality, trained two-year-old racehorses from America or Europe (which are not exempt from the 10% value added tax) to race against equal competition earning higher purses; 75% of the total purse money is awarded in these races.}

South Korea’s horses and buyers, like Jun, play an active role in this industry’s emerging markets. Through progressive development policies, realistic goals, and an economy stimulated by respectable race wagering revenue, Korea is fostering positive growth that should eventually result in a powerful domestic market with export potential. Because of this, Jun’s newfound strategy for bloodstock purchases focus on mares suitable for the KRA’s stallion program and yearling fillies that will be competitive in Korea’s binary racing system.

Adversely, Japan, which possesses a Thoroughbred industry that is almost 60 years old, imposes a fixed tariff per horse that currently amounts to almost $34,000. Because of this flat rate, Japanese owners and breeders buy at the top level since there is no cost variation between importing expensive or cheap bloodstock. The most notable of these clients are the Yoshida brothers, Teruka and Katsumi who own Northern and Shadai Farms in Hokkaido. Over the past 2 years the brothers have spent over 30 million at just four U.S. sales, with that amount increasing exponentially as favorable exchange rates further spur high-end spending. This, coupled with support from the Japan Racing Association that
offers complimentary shipping for elite, highly qualified mares, a burgeoning racing and breeding industry is supported in Japan.

Japan’s sophisticated breeding infrastructure consisting primarily of high-quality broodmares is world renowned and rivaled only by the U.S. and Australia. Japan’s current focus for their industry lies in developing the necessary infrastructure to improve the country’s sales, training and stallion programs. The Japan Racing Horse Association’s select sales are slowly seeing results as two 2014 sales graduates went on to win graded stakes for the first time since its inception a decade ago. Also, the country’s breeders association has begun offering exercise rider and stud personnel training programs in hopes of supplying these specific developing industries with a qualified and skilled labor force. As a result of Japan’s industry parameters, the Yoshida brothers primarily target young stud colts with superiority in conformation and pedigree in hopes of supplying Japan with their next star stallion once a colt’s race career concludes while they continue to build a quality broodmare band to further support the country’s already successful breeding programs.

New-money actors that set local tradition aside often support the emergence of Thoroughbred industry activity in regions with developing and naïve industries. With potential for a rapid influx of capital and laborers not sensitive to a regions culture, customs and norms, an expanding racehorse industry could potentially do more harm than good. As negative effects are always a possibility, further research is needed concerning the rate of development many of these emerging markets are undergoing which will be important in maintaining the Thoroughbred breeding and racing industry’s globalization.

---

9 Japanese buyers prefer in-foal mares so they get an American-bred mare with a foal born on Japanese soil that is eligible for the country’s incentives once the foal makes it to the track.
Organization & Practicum Evaluation:

The wide array of personal experiences from my time with the TCF sales team throughout the five diverse sales serves as the foundation for my assessment of this practicum. Following discussion of the practicum itself will be an evaluation of the organization that made this all possible, Three Chimneys Farm. Included in this portion, the farm’s consignment program and accompanying sales team will be examined.

Concerning my overall involvement from the events that my practicum was comprised of, a significant portion of my experience can be summarized with the idea of ‘pressure.’ This proved to be a central theme to my time interning at TCF because of the high-stakes environment that is a Thoroughbred public auction. Initially, I believed this position with TCF would not affect my emotions anymore than past experiences with the sales team, but this proved to be a false assumption once an international aspect was added to my employment. The main source of pressure derived from the executive team meetings held prior to each sale day where every horse’s reserve price was finalized. The responsibility to accurately portray the level of interest in certain horses targeted for international buyers proved to be difficult at times since owners often possess exaggerated and unrealistic values of worth for their progeny. If I overestimated interest and the reserve was set too high the horse would not sell. Contrastingly, if I undervalued the interest of buyers the reserve was set too low and the seller would not receive a fair price. The situation is only intensified by industry pressure on consigners to render high prices and successful sells for their bloodstock and, thus, success for the farm in general.
Thankfully, with the assistance of my supervisor Richard, I was able to acclimate myself with the inevitability of pressure and still perform well under a great deal of stress.

An aspect of this practicum that Three Chimneys seemingly awarded me with was the executive leadership team’s trust in my personal judgment. Often organizations attempt to ‘micro manage’ interns but fortunately, Mr. Clay and my supervisor allowed me increasing amounts of independence as I proved to be competent and successful in my position. Through this freedom I, as well as my clients, were able to accomplish much more than my supervisor had originally anticipated. Because of trust I built with my superiors, I was capable of further enhancing the business relationships I developed. Throughout this practicum I was not limited to just acting as my client’s bloodstock consultant with knowledge of the international community. Instead, I had the opportunity to educate my clients on an assortment of industry principles ranging from bidding techniques and pedigree and bloodline development, to American customs and the general history of Kentucky’s Thoroughbred operations. This proved to be a favorite aspect of working with this organization: trust was gained and clients regarded me as an equal whose opinions and suggestions they valued.

Overall, Three Chimneys’ consignment has proven to be extremely prosperous at public Thoroughbred auctions, finishing among the top five consigners every sale.\textsuperscript{10} I feel this was in part due to the efficiency of operations, for our productivity and organization was excellent compared to my observations of other consignments. Meetings started and ended on time, employees were neither distracted nor careless while proving to be...

\textsuperscript{10} There are, on average, 225 consigners present at each sale.
proficient with the horses, and cohesion existed throughout all levels of leadership and employment. Another indicator to TCF and their employee’s success lies in the respect the horses receive from everyone. It is easy to forget that these animals, aside from being a source of income, are sentient creatures that we owe a great deal of respect and gratitude to. It was a pleasure to witness the admiration Three Chimneys received from clients for possessing this attribute.

Another positive aspect both the farm and the two sales companies possessed was the attention to both horse and human safety. Equines present at sales are either young and nervous foals who see a falling leaf as the utmost threat, moody and often callous broodmares who want humans nowhere near their pregnant stomachs, or groups of yearlings consisting of both fillies and stud colts where distance between the sexes is necessary but often not plausible. Attention to the well-being of all involved is important as Kentucky’s Thoroughbred industry sets valuable examples for many of the world’s developing horseracing industries.

Lastly, TCF’s dedication to all social classes present at the public auctions should be highlighted. Yes, all farms dream of having every wealthy client in existence for their own, but the Clays realize that not every horse is going to sell for six figures and the foundations of this industry lie in those homegrown breeders who come to the sales with shallow pockets. This is evidenced in TCF’s wide array of advertisements geared toward all spectrums of horse enthusiasts coupled with genuine gratitude when the paddocks are still
full of potential buyers far into books four and five. This characteristic paid off in 2008 when the bloodstock market crashed and both buyers from emerging markets and local, small farms stepped up and increased not only the amount of purchases but the value they received in the decline. This was a great benefit to many of America’s top breeders as they struggled with the new market equilibrium. Undoubtedly, even the most successful of Thoroughbred operations must remain humble and gracious, especially as emerging markets vie for prominent positions within this industry.

**ACADEMIC & CAREER CONNECTIONS:**

When this practicum assignment began in September 2013, I never imagined I would be able to apply such a vast amount of the knowledge amassed throughout this Masters’ degree program to the racehorse industry. This was a pleasant surprise as not only did I receive valuable experience dealing with international clients from some thirty countries including Argentina, Brazil, China, India, Japan, Jamaica, New Zealand, Russia, the UAE, Ireland, Canada, the UK and Saudi Arabia; but I also gained valuable academic knowledge through these connections regarding varying business practices throughout the industry. Primarily, I learned that the key to racing’s future lies in international competition since the growing number of truly global events is a success story within this sport’s modern era. Obviously, the wealth that saturates the world market for Thoroughbred racehorses does not fully protect the industry from an often volatile

---

11 The horses possessing the best bloodlines and conformation are located in book one and as the books progress throughout the week the horses (in theory) get less expensive with the cheapest horses being sold on the last day of the sale in the last book.

12 In addition to these 13 countries: Australia, Bahrain, Chile, Denmark, France, Greece, Malaysia, Mexico, Panama, Philippines, Peru, Puerto Rico, Qatar, Switzerland, South Korea, South Africa, and Venezuela. The most noteworthy transactions involved clients from Russia, the UAE, Japan, South Korea, China (specifically Hong Kong), and Brazil.
international environment. As change is imminent, I still feel the industry possesses enough diverse facets and a sufficiently sturdy foundation to sustain any shocks the sport as a whole may experience.

This industry is definitely not a homogenous entity united in a single purpose working towards a common destination. While there are affinities and common interests among various participants within this industry there exist multiple perspectives and conflicting interests operating simultaneously. This is a dynamic industry that has changed over time and will continue to change far into the future. The presence of globalization and its forces have certainly had an impact on the sport of horseracing as it continues to spread far past racetracks in America and Europe. Through the changing geopolitical power in the world, opportunities are widely available for Thoroughbred investment in emerging markets, particularly given the potential gambling revenue that can be assessed. Also of value is the increased international shuttling of racehorses as new venues offer substantial prize money in order to attract elite racehorses while fostering the relative position of Thoroughbred racing within one's own country.

Another academic connection I made during my time at Three Chimneys concerns the issue of corruption. Prior to my exposure to the international strata of this industry I was fully aware of the corrupt practices that often occur at some of America's lesser-known racetracks. Reports have ranged from paying jockeys off, to drugging horses with performance enhancing drugs, tampering with wages and simulcasts, and artificially inflating a horse's price - incriminating owners, trainers, breeders, and racetrack owners/operators. Nonetheless, corruption on an international level was unbeknownst to
me. Some forms of corruption I witnessed and was unable to curtail included simple acts of bloodstock agents inflating purchase prices and exchange rates between the sales pavilion and the buyer’s checkbook, to more intense schemes like Sheik Mo, who is under investigation for a myriad of activities from illegal steroids and the consequent funds earned by his vets to forge documents, to schemes where artificially high prices are paid for numerous horses in Newmarket. This act falsely stimulates the market before a large amount of bloodstock is discarded in a Florida sale for buyers that perceive the market to be stronger than it is in reality. Through these experiences it is clear that corruption is far from being restricted to government and leadership positions within one’s own country but has the potential to reach as far as a hobby in pursuit of prestige or victory.

Finally, my practicum experience reinforced the fact that foreign language skills are a vital component to success internationally. I also learned that another means of communication, one’s demeanor, mannerisms, and gestures are a frequently undervalued form of interaction. In certain situations when the act of talking is either prohibited or impossible, hand signals and facial expressions are beneficial, especially when dealing with a language barrier in a crowded sales pavilion. Though detrimental at the time, I found that one gesture widely accepted in a culture to have one meaning, could very well possess a dramatically different connotation in another part of the world. Though risky at times, I found that the unspoken language holds immense possibilities for communication when appropriately utilized.
PERSONAL & ACADEMIC EVALUATION:

This practicum assignment allowed me to truly experience a worldwide industry in one of the most unique and advantageous settings possible - the world and their horses came to me. During my time with Three Chimneys I was able to grow as both a person and a scholar while improving my communication, organization and management skills alongside my international business relations. Through the highs and lows I experienced, my confidence grew as well as my ability to react and adapt to foreign, and often uncontrollable, situations. My work ethic also drastically improved, in part thanks to working often 14-16 hour days. Similarly, my mental toughness and determination is far more superior now than prior to my time with TCF. For this, I can think sub-degree temperatures, as well as chaotic, uncontrollable circumstances and impossible tasks that you somehow must find a way to achieve.

From this practicum I learned how to better handle extremely stressful situations while remaining calm and composed in the midst of utter chaos. I do not feel that simply any intern could fit into the demands of this practicum, for a vast background of knowledge was required in areas such as the anatomy of a horse, the environment that is a public auction, racetrack rules and polices, pedigree and bloodline studies, past and recent winners and their sires, and of course the global community with its dissimilar developing Thoroughbred industries, business practices, and principles.

Academically speaking, the experience proved that knowledge of the international system and all facets of international business development can be beneficial in the most unexpected situations. Through my experience with the multitude of differing cultures and,
thus, varied forms of communication and business relations in transactions, negotiations and ethics, I developed skills I deem essential to working with growing markets and the business practices that compliment this aspect of globalization. I certainly possess a greater appreciation for the information attained concerning international business development while at MTSU. My understanding and knowledge (both existing and new) proved to be extremely useful in my work to develop some of the world’s most exciting and budding Thoroughbred horseracing industries, evidenced by the two job offers I have received for more permanent roles as an International Client Liaison since the conclusion of my practicum.

Despite all the obstacles I met in dealing with international clients of this scale for the first time in my life, I took with me with some of the most beneficial and marketable knowledge possible. In addition to being lucky enough to work with horses, my clients taught me so much about the rest of the world that I will be forever grateful of. I feel I benefited most from this practicum in the fact that not only do I now possess valuable professional relationships with individuals from a few countries such as Japan and Ireland, which I expected, but I also gained contacts in many other countries like Australia, China, Russia, Brazil, South Korea, India and the UAE. A central advantage I had in my involvement with Kentucky’s horse industry during this practicum is that instead of engulfing myself in one specific country’s industry and thus limiting my learning to one individual culture and economy, I was instead able to gain knowledge on many countries’ business cultures, and each unique, developing Thoroughbred industry; which I feel increases my flexibility and marketability as I enter the job market.
Thanks to my time spent working for one of the world’s most respected Thoroughbred operations and with two of the oldest, most established organizations in Thoroughbred public auctions, my international affairs practicum proved to be more exciting, knowledgeable, beneficial and rewarding than I fathomed. I cannot express how personally valuable the business relationships and skills are that I acquired throughout my time as Three Chimney’s Sales Team International Business Development Intern. I am truly more appreciative and excited about international affairs and will forever be grateful to the Clay family of Three Chimneys Farm, Keeneland, Fasig Tipton, the many Central and South American laborers that endured my language skills, and the multitude of clients who trusted both their operations and wallets to my opinion and judgment of equine bloodstock in this thrilling industry.

Undoubtedly, the forces of globalization are influential within the Thoroughbred racehorse industry. An increased international presence of the sport and breed is valuable to the continued success of existing markets as well as the industry’s overall sustainability. As development continues, the necessity to maintain a proven foundation of existing breeders, trainers and customers that ultimately supply this industry with horses, remains a central component to the business side of this sport. Still, the need to go global is emphasized more recently as those in the horse world have began to recognize countries that are enjoying increased per capita income with improved economies and living standards that ultimately represent potential new customer bases.
The Thoroughbred market is still limited to the upper classes (though this class gap is slowly improving) therefore future expansion from countries with emerging markets, and thus the potential for high-income economies, will be beneficial. Looking ahead, as countries work to further integrate breeding industries, gaming markets and racing stock with nations of both the Global North and South, the industry is reaching new levels of competitiveness that necessitates this business expansion. Thoroughbred horseracing is a sport that thrives on competition, prestige, and business development- thus international growth is likely vital to the sport’s survival. Of course, with expansion comes the possibility of contraction and if fresh markets are not established, the racehorse industry faces the possibility of becoming unsustainable within its existing borders. It is clearer to me now more than ever that the Thoroughbred industry, as America knows it, will continue to be affected and driven by new players on the international stage. As the industry strives to reach a more globally diverse clientele, the sport will ideally become an increasingly profitable and respected entity internationally whilst continuing to present the world with ‘the most exciting sixty seconds in sports’.

Commented [PK2]: I added these final two paragraphs based on what we discussed today concerning what the paper needed more of and how I should emphasize the business globalization aspect.
**Glossary:**

**Age:** All Thoroughbreds in the Northern Hemisphere celebrate their birthday on January 1.

**Agent:** A person empowered to transact business for a stable owner or jockey, or empowered to sell or buy horses from an owner or breeder.

**Bloodstock Agent:** A person who advises and/or represents a buyer or seller of Thoroughbreds at a public auction or a private sale. A bloodstock agent usually works on commission, often 5% of the purchase price and can also prepare a horse for sale.

**Bred:** A horse is considered to have been bred in the state or country of its birth.

**Breeders Cup:** Thoroughbred racing’s year-end championships consisting of 14 graded races conducted over two days with purses and awards totaling $25.5 million. First run in 1984.

**Breeding Season:** The unofficial start of the Northern Hemisphere’s breeding season begins February 15\(^{th}\). Because of the gestation period of horses and the organization of races by age, the breeding season in the Northern Hemisphere runs from February to roughly July 4\(^{th}\). All Thoroughbred’s birthdays are January 1 and since it is advantageous to be older, a foal born in December would be at a huge disadvantage to one born one month later. The ideal birthday for breeders is January 1 but that is a risky date to aim for! The Southern Hemisphere’s breeding dates range from September to December.

**Breeding Share:** An arrangement between the owner of a mare and the farm where a Stallion is ‘standing.’ In this arrangement the mare’s owner is not required to pay for the stud fee. When the foal is born and sold, the owner of the mare and the owner of the stallion then split the profits.

**Broodmare:** A filly or mare that has been bred and is used to produce foals.

**Claim:** A way to buy a Thoroughbred; every race meet has ‘Claiming Races’ of different values where the horses are for sale prior to the start of the race, one can submit a claiming slip on the horse of their choice prior to post. At the conclusion of the race- win or lose- the horse belongs to you for the amount the race was for.

**Colt:** An ungelded male horse less than five years old. Beginning at age five, a colt is referred to as a horse.
**Conformation:** The physical makeup of and bodily proportions of a horse; how it is put together.

**Dam:** The female parent of a foal.

**Filly:** A female horse less than five years old. Beginning at age five, a filly is referred to as a mare.

**Foal:** A male or female horse in its first year of life. It can also mean to give birth or the offspring of a male and female parent.

**Gelding:** A male horse of any age that has been neutered by having both testicles removed.

**Graded Race:** Used to classify select, respectable stakes races; always denoted with Roman numerals I, II, or III. G-I races being the best, followed by G-2 stakes races and G-3.

**Homebred:** A horse bred by its owner.

**Mare:** Female horse five-years-old or older.

**Post:** The start time of a race, technically at the ‘call to post’ all race contenders are loaded into the starting gate. The race will not begin until all are loaded and readied.

**Quarantine Barn:** Used to isolate foreign horses for a short period of time to ensure they are not carrying any diseases. May be at a racetrack, airport, or specially designated facility. Horses must be cleared by a federal veterinarian before being released from quarantine.

**Reserve:** A minimum price, set by the consignor, for a horse in a public auction.

**RNA:** ‘Reserve Not Achieved’ When this occurs the horse returns to its original owner, or has the potential to be sold privately.

**Simulcast:** A simultaneous live television transmission of a race to other tracks, off-track betting offices or other outlets for the purpose of wagering.

**Stallion/Sire:** A horse’s male parent; a male horse used for breeding. It can also be used as a verb meaning to beget foals.

**Stallion Season:** The right to breed one mare to a particular stallion during one breeding season.

**Stallion Share:** A lifetime breeding right to a stallion, one mare per season per share.

**Syndicate:** A contractual agreement where multiple parties combine their financial resources to purchase a horse. Each contributor or ‘owner’ owns a fractional interest in the horse.

**Weanling:** A foal that is less than one-year-old that has been separated from its dam.
Yearling: A horse in its second calendar year of life, beginning Jan. 1 of the year following its birth.
WORKS CITED:

Fasig Tipton. *History*. Retrieved from the organization’s website: fasigtipton.com


Three Chimneys Farm. *History*. Retrieved from Three Chimney’s website: threechimneys.com