



EXPORTING FROZEN SEMEN: CONTRACT CONSIDERATIONS FOR STALLION OWNERS

SBS personnel first imported frozen stallion semen to the US from Germany in 1983. Our first export was from Abdullah in 1988. To my knowledge this was the first export of frozen stallion semen from the US to Europe. In the past 10 years we have exported thousands of doses of frozen semen all over the globe; to South America, Europe, South Africa, the Middle East, Australia, New Zealand and more.

In facilitating these exports, we have seen numerous types of contracts arranged between stallion owners and semen buyers. The following are some of the important considerations for stallion owners interested in exporting frozen semen.

- Semen for export must be frozen under strict import regulations. Be certain that the semen is being frozen under current import regulations for the countries under consideration. It is common for countries to change regulations with little or no warning and often our USDA import/export officials are not notified of these changes until an export is attempted. Be certain that the semen is being frozen under current import regulations for the countries under consideration. It is common for countries to change regulations with little or no warning and often our USDA import/export officials are not notified of these changes until an export is attempted.
- Don't commit contractually until you know that semen from your stallion can be frozen successfully. We strongly recommend that in addition to meeting industry standards for semen quality, that you try to demonstrate some level of fertility here in the US before commercially distributing semen abroad.

Contract considerations: How will you sell the semen?

- A. Fee per dose - no guarantee: This is a popular option for selling frozen semen internationally. Typically, the buyer pays in advance for each dose of semen and is permitted to breed as many mares as possible. If you are selling semen in a situation where you have no prior experience with the buyer (brokers or individuals) it is difficult to offer any guarantees whatsoever.

The **big disadvantage** to the stallion owner is that buyers may poorly manage the use of the frozen semen; use inexperienced technical personnel, inseminate too infrequently, or with too few doses or try to use the semen on mares of poor reproductive quality. The end result of mismanagement is few or no foals produced. *One unsuccessful year of breeding with frozen semen can forever ruin the stallion's reputation in any given country. Do everything possible to insure success in the first year because you will likely not get a second chance.*

- B. Fee per 'breeding' - no guarantees: In this scenario, the stallion owner provides several doses (3-6 is typical) of frozen semen in exchange for a 'breeding fee'. If there is no limit on the number of mares that can be inseminated, then it is really no different than selling by the dose. However, if the stallion owner agrees to only issue one breeding certificate per breeding fee paid, and requires that any unused semen be returned or destroyed, there is no incentive to use less than the optimum number of doses per breeding. If the mare easily conceives, leaving a number of unused doses, you can then execute another contract and collect another breeding fee for the use of the balance of the semen on another mare or for the next breeding season.
- C. Free return guarantee (limited # of doses): This is similar to the scenario described above with the addition of a pregnancy guarantee. Structure the contract so that a mare which is inseminated with the total number of doses included in the 'breeding' (again 3-6 is typical), and fails to conceive, is entitled to an additional allotment of semen for a second try. The fees have been paid in advance and there are no returns even if the mare fails to conceive with the second allotment of frozen semen.
- D. Fee per pregnancy - full guarantee: In my opinion, this is the ideal situation for international distribution of frozen semen. Several reputable frozen semen agents are available as distribution outlets for American stallion owners. Mostly centered in Europe these agents typically specialize in a certain breed of horse. For example nearly all Standardbred trotter semen exported to Europe is handled through an agent. These agents advertise and promote the stallions, arrange import, storage & distribution, execute contracts with mare owners, and collect stud fees for mares which become pregnant. Once the fees are collected, the agents subtract a percentage (10-40%) of the fees paid and forward the balance to the stallion owner. This situation is ideal because it is the most attractive to mare owners and the best way to efficiently manage an inventory of semen to produce the maximum number of foals.

©Select Breeders Service, Inc. For reprint or link permission please contact
info@selectbreeders.com

Since the agents income is directly dependent on the results obtained with the semen, they distribute only to approved AI centers and monitor the use of the semen carefully.

Details, details, details:

Finally, the contract must indicate clearly which party is responsible for all the associated costs of the program. For example, frozen semen production, export health testing, nitrogen tank rental, shipping, brokers fees, customs fees, import permits, advertising, semen storage, insurance and registration fees.

As always, do your homework, work with reputable, established companies, and don't rush into an agreement until you have all the facts.