

Video Auction Results Confirm Angus Advantage

by Steve Suther

Table 1: Factors affecting the sale price of beef feeder cattle sold through 14 Superior Livestock video auctions from January to September 2002

Factor	No. of lots	Avg. sale price (\$/cwt.)	Avg. difference (\$)
<i>Sex of the lot</i>			
Steers	1,171	79.09 ^a	4.76
Heifers	912	74.33 ^b	0.00
<i>U.S. region of origin^e</i>			
West Coast	303	75.25 ^a	-0.67
Rocky Mountain/North Central	324	78.32 ^b	2.40
South Central	1,178	77.34 ^c	1.43
Southeast	278	75.92 ^d	0.00
<i>Breed description of the lot</i>			
Mixed English, English crosses ^f	124	76.84 ^a	1.41
English-Continental crosses ^f	716	76.60 ^a	1.17
Primarily Angus, black, BWF ^g	203	77.96 ^b	2.52
Cattle with ear ^f	1,040	75.43 ^c	0.00

^{a,b,c,d}Values within a factor without a common superscript differ (P < .05).

^eStates in the region of origin were: West Coast — Washington, Oregon, California, Idaho, Nevada, and Utah; Rocky Mountain/North Central — Montana, Wyoming, Colorado, North Dakota, South Dakota, and Nebraska; South Central — Kansas, Oklahoma, Texas, Arizona, and New Mexico; Southeast — Virginia, Kentucky, Tennessee, North Carolina, South Carolina, Arkansas, Louisiana, Mississippi, Alabama, Georgia, and Florida.

^fLots of calves in these breed classes may have contained some black cattle, but the lot was less than 90% black.

^gLots in this breed class were at least 90% black.

The model was adjusted for the effects of sale date, flesh score, weight variation, presence of horns, vaccination program, lot size, base weight, the quadratic effect of base weight, and the number of days from sale date to delivery date.

Table 2: Factors affecting the sale price of beef feeder cattle sold through 18 Superior Livestock video auctions from January to October 2003

Factor	No. of lots	Avg. sale price (\$/cwt.)	Avg. difference (\$)
<i>Sex of the lot</i>			
Steers	1,694	85.30 ^a	4.47
Heifers	1,166	80.83 ^b	0.00
<i>U.S. region of origin^d</i>			
West Coast	305	83.18 ^a	1.44
Rocky Mountain/North Central	424	84.26 ^b	2.52
South Central	1,760	83.07 ^a	1.32
Southeast	371	81.75 ^c	0.00
<i>Breed description of the lot</i>			
Mixed English, English crosses ^e	160	83.37 ^a	1.85
English-Continental crosses ^e	1,106	82.89 ^a	1.37
Primarily Angus, black, BWF ^f	250	84.48 ^b	2.95
Cattle with ear ^e	1,344	81.53 ^c	0.00

^{a,b,c}Values within a factor without a common superscript differ (P < .05).

^dStates in the region of origin were: West Coast — Washington, Oregon, California, Idaho, Nevada, and Utah; Rocky Mountain/North Central — Montana, Wyoming, Colorado, North Dakota, South Dakota, and Nebraska; South Central — Kansas, Oklahoma, Texas, Arizona, and New Mexico; Southeast — Virginia, Kentucky, Tennessee, North Carolina, South Carolina, Arkansas, Louisiana, Mississippi, Alabama, Georgia, and Florida.

^eLots of calves in these breed classes may have contained some black cattle, but the lot was less than 90% black.

^fLots in this breed class were at least 90% black.

The model was adjusted for the effects of sale date, flesh score, lot size, base weight, the quadratic effect of base weight, and the number of days from sale date to delivery date.

Premiums for known Angus calves continue to show in Superior Livestock video auction prices from January 2001 through October 2003, according to studies commissioned to quantify values on 8,003 lots of calves and 6,953 lots of feeder cattle.

These results were last reported in the 1999-2000 Superior data (see “More than just 100% black,” page 27 in the

September 2001, *Angus Beef Bulletin*), when “Angus, black or black-whiteface” calves and feeders showed a \$3.88-

Here's the Premium

per-hundredweight (cwt.) to \$5.47-per-cwt. advantage over the lowest value group, those less than 90% black with Brahman influence denoted as “cattle with ear.” Colorado State University (CSU) research associate Mike King analyzed the data then as now.

Since 2000, he has been able to refine the data by adding a “primarily Angus” breed class. Only calves entered as at least 90% black and Angus on cow herd and sire fields were allowed in the category. Many other lots were noted as “100% black,” but if they didn’t specify “Angus,” they did not count. Apparently, bidders felt the same way, and they were not just aiming for English breeds.

In the 2001 auctions, primarily Angus calves fetched a \$4.60-per-cwt. premium over the eared cattle, \$2.86 per cwt. over other English and English-cross calves and \$0.65 per cwt. over those unknown blacks. English-Continental crosses were \$2.10 back that year, but fell behind all English-source calves in subsequent years. Meanwhile, the Angus advantage over merely black increased to \$1.22 per cwt. and \$0.76 per cwt. in 2002 and 2003, respectively.

“For feeder cattle, there were not enough primarily Angus lots to separate the groups,” King reports. Therefore, the breed description was included with all black and black-whiteface cattle. That category led all feeders for value, selling from \$2.52 per cwt. to \$3.56 per cwt. above the eared cattle, and typically more than twice the premium commanded by English-Continental. The second-highest premiums for feeder cattle went to those mixed English but less than 90% black.

Note that black-hided cattle can be found in all of the breed-type classes for the data, because lots were not allocated by color alone.

Premiums are additive in the tables, so that the most valuable calves were primarily Angus steers in the Rockies and in the North. Exact dollar differences are only found when all other factors are accounted for, however. King explains using a breed-type example: “If you have two lots of calves sold in 2002 that were the same in every way except breed, you would expect, on the average, the primarily Angus calves would bring \$1.22 per hundred pounds more than the black, black-whiteface calves.”

This 21st-century data confirms the earlier report and amounts to a five-year fact: known Angus calves are worth significantly more than others, including “black” calves of unknown breed background.

