

You Can Get More Dollars per Bull

Help your customers find the genetics they need for market premiums.

by *Ginette Kurtz*

‘What can I do to sell my bulls for more money?” Isn’t that what every Angus seedstock producer asks himself at one time or another?

Commercial customers want quality in the animals they buy and the best bull for the money spent. Now, it seems most seedstock producers can meet those needs, but some commercial producers want a little more personal attention. (Kind of like they want a bull that isn’t going to chase them out of the pasture!) And that is where the extra \$\$ per bull can come into play by introducing your customers to AngusSource.®

Every cowman I know is always looking for a way to make more money on the calves they produce. AngusSource can provide your customers with one of the most consistent, cost-efficient ways to add value to their calves with age and source verification while using your quality Angus genetics. There can’t be a better plan than that!

Plus, customers can list health/management practices on a customized marketing document that can be listed online. This isn’t part of our U.S. Department of Agriculture (USDA) process-verified program (PVP), but we want to provide buyers with as much information as possible on the calves being sold.

Let me share with you some data from a recent Kansas State University (K-State) study evaluating data from Superior

Livestock Auction from 2004-2010. More than 30,000 lots of calves were sold during this time frame to evaluate the genetic, management and marketing factors that influence the prices paid for those calves. All of the calves in the study sold from June to September for a fall delivery. Most of the premiums and discounts were for steer calves sold in truckload-sized groups.

Superior Livestock Auction has placed the age and source verification information in their lot descriptions since 2005. Table 1 lists the premiums for steers, but the study results show the premiums were similar for heifers throughout the same time period. The premium low of 92¢ was in 2005 and the high of \$2.01 was reached in 2008.

AngusSource has been obtaining data from AngusSource-enrolled calves selling on Superior Livestock Auction from June to September in 2008-2010. Table 2 shows the additional dollars your bull customers could be earning.

During 2008, AngusSource calves sold for \$1.29 more than calves enrolled in other age- and source-verified programs. In 2009, the number went to \$1.08 more, and our final set of data from 2010 shows 91¢ more per hundredweight (cwt.).

You can do the math that registered Angus bull investment is looking pretty good. All you need to do is transfer the registration paper to your buyer, explain the benefits of

Table 2: 2008-2010 Superior Livestock Auction summary of AngusSource® calf prices

Year	AS price	Other ASV
2008	\$3.37	\$2.08
2009	\$2.65	\$1.57
2010	\$2.58	\$1.67

AngusSource and have an enrollment form in your pocket for him to fill out and send to us with copies of his calving records. Once we receive the enrollment form, we will do our best to complete his enrollment.

I just gave you “part of the story” of why producers should be buying registered Angus bulls from you, but here is “the rest of the story.” Angus, black, and black white-faced calves show some of the highest premiums being paid. They range from \$4.27 to \$7.73 per cwt. From the K-State study it can be derived there are premium differences between Angus and black and black white-faced cattle. Heifers show a difference five out of seven years, while steers only show a difference three out of seven years. This shows buyers are looking for Angus-based replacement heifers.

Again, AngusSource can verify that genetic claim for your producers wanting to market Angus-sired replacement heifers. Buyers aren’t just looking for generic black-hided cattle; they are looking for known Angus-sired cattle. Don’t let your customers miss this opportunity to capitalize and promote your outstanding Angus genetics.

If you would like to read more details about this research, including references, visit: <http://krex.k-state.edu>. The published thesis “Factors Influencing the Price of Value-Added Calves at Superior Livestock Auction” was written by Lance Zimmerman. Lance is currently an analyst at Cattle-Fax in Centennial, Colo. He earned his master’s degree in agricultural economics at K-State in December 2010.



Table 1: 2004-2010 Superior Livestock Auction summary of value-added steer calf premiums

Marketing programs**			
Trait	Low	High	Years premium existed
Natural-market eligible	\$0.049	\$1.17	3 of 7 years
NHTC-market eligible	\$1.77	\$2.70	2 of 3 years (started 2008)
Age and source verification	\$0.92	\$2.01	6 of 6 years (started 2005)
Genetics and breeding program**			
Trait	Low	High	Years premium existed
Predominantly English	\$3.37	\$4.84	7 of 7 years
Predominantly Continental	\$2.87	\$4.79	7 of 7 years
English-Continental cross	\$2.91	\$5.05	7 of 7 years
Black/black white-faced	\$4.27	\$7.16	7 of 7 years
Predominantly Angus	\$4.73	\$7.73	7 of 7 years

** Premiums expressed relative to non-implanted steer calves

Source: Kansas State University.