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What Can You Afford to Spend on a Bull?

In the past week or so, I've logged over 800 miles driving four states looking for a new heifer bull. Bull buying season is one of my favorite times of the year as all the catalogs, video links and sale days arrive. If you've been in the bull market, you'll note that prices have been strong and probably should be given input prices! I've been accused of being a tightwad, so I'm always looking for the best buy, but what is a target price to pay for your next herd sire?

This question is a classic, important, and timeless one. The bull's impact on a herd can have lasting effects for many generations, good or bad, especially in operations that retain replacement heifers. A "cheap" bull may end up costing in the long run or an expensive bull may not have as economically effective impact as a more moderately priced one. Of course, there are many factors and lots of unknowns in all of this that varies by operation. The old rule of thumb that seems to persist around this topic in many circles is "A bull should be worth the value of five weaned steers he sires". Three daughters sold as cow/calf pairs has also been tossed out in some conversations, so let do some cowboy math and see what we find.

Using the February 27, USDA Cattle Market from St. Joseph for Kansas market averages; 550-pound weaned steers traded around \$2.32 per pound to equate to \$1,276. Using our five head value, that would be \$6,380. Play this out on some heavier calves at weaning gets \$6,500 and \$6,937.50 for 650 (\$2/lb.) and 750 (\$1.85/lb.) pound steers, respectively. A regional sale barn's last market report from a special cow sale showed two-year-old cow/calf pairs bringing \$2,500. Using that cow/calf value times our three pair rate yields, \$7,500.

In the current market, using the rules of thumb presented, a good quality bull is worth somewhere between \$6,380 to \$7,500 to the average cattle operation. Where exactly in that range (or frankly outside of that range) you fall, depends on your marketing plan, genetic potential within your cowherd and the market situation at the time offspring will be sold. There really is probably not an exact number or formula that works for everyone, but this type of calculation can help you determine what range you can afford to pay as you get your bidder number. One other point to consider is that a 1,500-pound choice slaughter steer selling at last week's average of \$1.65 equals \$2,475, so searching for that \$2,500 breeding bull is likely an unreasonable expectation today.

Each operation has a different focus, marketing plan, capital/credit situation and end-goal in mind. One thing that cannot be over-stated is that genetics pay when you purchase a bull capable of improving genetic potential for the specific traits that will translate to added value at your intended marketing endpoint. Don't forget all the "benefits" that might come from the seedstock supplier. This can include things like: negative BVD-PI, genetic defect, homozygous polled, genomics (and other) tests; breeding season guarantees; free delivery and/or feeding until spring and a plethora of other offerings. Purchasing a bull with unknown genetic potential is often more of a gamble than it is worth, in writing the smaller check.

My father-in-law always used to say that "a scrawny bull throws the best calves". I always took that to be a reference to myself and his grandkids, but I could have been wrong? My Dad took more of the approach that "a herd bull should look like a herd bull". Whatever your mentality or rules of thumb in herd sire selection are, take some time to run the numbers, determine needs and find that best value within those operational needs. All that said, don't be afraid to invest in quality genetics that will pay you back. Best of luck with your purchases!