

For Immediate Release
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What's A Bull Worth To A Commercial Cow-Calf Producer?

Prices for all classes of livestock are at historically high levels; in fact at dollar amounts many of us never thought we would see in our lifetimes. Those high prices are not only for the weaned calves we take to market but also for the herd bulls we purchase. That seems to require another look at economics and the age-old question, **“At the price levels we are seeing for our calves; what's a bull worth to a commercial cow-calf producer?”**

At least thirty years ago Dr. Ernie Davis at Texas A&M University did an economic analysis of profitability in commercial cow herds which gave rise to a simple “rule-of-thumb” recommended to and followed by many producers. In fact, this recommendation held true over a wide range of calf selling prices, although no prices close to those received in 2014-2015 were even considered back then. The economic search for profitability revealed that **a bull, at the very least, was worth your best five weaning age steer calves.**

At that time a 600 pound calf brought close to \$.70 per pound. Therefore each steer would be valued at \$420 and five calves would then be equivalent to \$2,100. Sure enough most of us did not even hesitate to spend that \$2100 or even more for the right kind of bull. Keep in mind that figure was for an average bull. Dr. Davis went on to say that above average bulls - those that could add more pounds at weaning, sire calves with a better carcass or produce more productive daughters - were worth far more than the average bull and should be valued accordingly.

Now fast forward to the economic realities of beef production today. The Weekly Summary Of Southeast Auctions market report for the week ending November 14, 2014

accounted for a total of 80,233 calves. That report gives a 600 pound steer a value of \$238 per pound averaged across sale barns in the eight states in the Southeast. Let's round that off to a conservative \$230 per pound. That means you sold your 600 pound steers on average for \$1380 each and five of those steer calves brought \$6,900. Just think about that! Economics would estimate that an average bull purchased for less than \$6,900 is a bargain and those above average beasts, the really good ones, are actually underpriced in today's economic climate.

Remember the RULE-OF-THUMB; an average bull is worth your best five weaning age steer calves. Now maybe we understand why we see the better performance tested bull sales averaging five to seven thousand dollars. The economics for profitability are certainly here in today's market. Bulls with proof of their genetic worth in the form of performance data, carcass ultrasound scans and EPDs just have value to you as an investment that will return more dollars than you pay out and dramatically increase the profitability of your cow herd. Many would argue that if the average bull is worth five steer calves, the top end at most bull sales are worth considerably more. And if the bulls you buy can sire replacement females that improve your cow herd in the direction you want to go, that \$7,000 bull is actually a very profitable purchase.

You are invited to be in Fair Play, SC on **Saturday, February 28, 2015** for the SPITZER RANCH PROFESSIONAL CATTLEMEN'S BULL SALE (**Sale starts at 1:00 PM EST.**) You will find the kind of performance tested Brangus bulls with the proven genetic value to improve your pounds of calf weaned and create profitable Brangus Commercial Cows. The Spitzers publish both SUMMER and WINTER NEWSLETTERS jam packed with useful information as well as a Bull Sale Catalog available on the web by late January and to be mailed in early February. If you want a catalog and/or wish your name added to their mailing list call 864/972-9140, write SPITZER RANCH, 1511 HWY 59, Fair Play, SC, 29643 or send an email

note to spitzeranch@mindspring.com. Be certain to visit their WEB SITE at www.srbulls.com where you can study their philosophy of serving the commercial cattle industry and view catalogs from previous years Bull Sales. There is currently a “preview video” of some of their young bulls being developed for the 2015 sale. They would also invite you to join the almost 1250 individuals who have “LIKED” the Spitzer Ranch Facebook Page and follow their QUOTE OF THE WEEK.

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