



Bull values require plans

It doesn't take much of a bull to make your cows pregnant. But if you want to improve the herd, you must reach far beyond hamburger value. For 20 years, the average price for registered bulls has been about 2.2 times the price of 450-lb. steers.

But what is an individual bull worth to you? You have heard of commercial yearlings selling for \$5,000 or more, maybe even paid in that neighborhood. Many ranchers say they buy the best they can afford, but everyone has different criteria, motives and plans for making the purchase return a profit.

Some buy the best because they don't have resources for artificial insemination (AI). Others buy because they want to narrow the quality gap between calves from AI and herd bulls. Still others add the notion that a bull could be an AI star in his own right.

What's the difference between a \$500 and \$5,000 bull? It's more than hype, smoke and mirrors. Producers are getting a first-hand education in relative bull values as they participate in value-based marketing.

It's not unusual to see a \$400 value difference from top to bottom individuals in a finished pen of steers. Multiply that times progeny, including the relative value of daughters over time, and you can see why the bull value spreads are widening.

Reputable breeders sell bulls that are worth more because they want to keep a good reputation. But a bull must fit your needs. A seedstock operation sells several different types of bulls, even within the same breed, so the name alone will not indicate a

certain value for you. Before you go to buy, know your cows' need, and what the seedstock producer's cows offer.

Characterize your cowherd genetics, management and marketing. What are the strengths, weaknesses and opportunities? Look for bulls that will make a little progress in strengths and more in weak areas. The bulls that literally do it all are the most expensive ones today, but by careful bull selection you can build a herd of cows that do it all.

If a bull is just for producing calves to sell, the calves need to represent good and improving value. Conservative producers may hesitate to invest in more expensive bulls, but risking reputation in the market goes against conservatism.

Buyers care about feedlot performance and carcass value potential. Carcass value is not a single trait but a set of traits that include weight, yield and marbling. To ignore this side of the value equation risks your reputation as well as consumer demand for beef.

Keeping replacements makes a bull worth more, not just in next year's calves but for several years, and then living on for generations through his daughters. No scientific formula can put a price on that, though efforts are underway to help characterize bulls based on their economically important traits, customized to your cows.

Some basic components of value are registration, balanced EPDs with strength in key areas, cow-family background and pedigree.

If you've done the background checks and feel certain this is the right bull, even at \$5,000, go ahead and bid. Then execute your "return on investment" plan, starting with life insurance. One commercial producer who recently paid \$12,000 for two bulls at a sale started with the understanding that he would get a lot of service after the sale in getting the bulls collected for AI.

He bred his 150 fall-calving females using synchronized AI, followed by natural cleanup by the same bulls. He planned to do the same for much of his 300 spring-calvers, and by now, the seedstock supplier referred other customers to the effect of selling 100 units to others for AI.

Within a couple of years, as this producer and others feed and harvest progeny and breed replacements, the bulls will generate enough progeny data to determine whether either will be an AI star. These plans met the buyer's goal of injecting a high degree of uniformity and quality into his herd, and he felt confident the investment would pay over a period of years.

You can pay too much for a bull—none of them are worth a million dollars. But with a plan in mind, you can feel confident about winning the bid for many of the bulls on your wanted list.

Thanks to members of the Black-Ink e-mail list (black-ink-owner@angus.mystery.com) for input on this topic. In the next edition of *Black Ink*, we'll look at plans for your calves. Questions? Call toll-free at 877-241-0717.

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