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## How the price of different breeds of feeder cattle has changed over time

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## HOW THE PRICE OF DIFFERENT BREEDS OF FEEDER CATTLE HAS CHANGED OVER TIME <sup>1</sup>

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### Summary

Data on feeder steer characteristics, breeds, and prices were collected in 1986/87 and 1993 at Kansas and Missouri feeder cattle auctions to identify changes in buyers' preferences for various breeds. Results from models of feeder steer price/characteristics indicate that the relative value of many breeds changed over time. Relative to Hereford steers, Angus, Hereford × Angus cross, Continental cross, and low percentage Brahman steers all gained in price from 1986/87 to 1993. Longhorn Cross steers' price declined relative to Hereford steers over the same time period.

(Key Words: Feeder Steer, Prices, Feeder Steer Characteristics, Breeds.)

### Introduction

This study examined whether buyers' preferences for various breeds of feeder cattle changed from 1986/87 to 1993. A number of structural changes have occurred in the cattle industry in recent years. In particular, many cattle feeders are more interested in the carcass quality and relative feeding efficiency of feeder cattle they purchase. Increased emphasis on relative feeding efficiency and carcass quality could impact prices paid for various breeds of feeder cattle.

### Experimental Procedures

The data set for this study was the same as in the previous paper, so the experimental procedures are not repeated.

### Results and Discussion

All parameter estimates represent price changes from a reference lot of uniform, Hereford steers in good health, average condition and fill, heavily muscled, without horns, and sold during the first quarter of the sale at auction market 1. The feeder steer price/characteristic models explained from 59 to 74% of the variation in feeder steer prices, depending on steer weight and time of year.

Results indicated that Angus steer calves (300 to 599 lb) sold at a discount of \$1.75/cwt relative to Hereford steer calves in 1986/87, but earned a premium of \$1.40/cwt in 1993. Similarly, yearling Angus steers (600 to 899 lb) received a discount of \$.89/cwt compared to Hereford steers in 1986/87, but sold at a premium of \$1.77/cwt in 1993. Continental cross calves (primarily Limousin cross, Charolais cross, Gelbvieh cross, Simmental cross) earned larger premiums in 1993 compared to Hereford steers, in both the lightweight and heavyweight steer categories, than in 1986/87. Steers with less than 1/4 Brahman breeding based on visual appraisal sold for prices that were not

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significantly different from those for Hereford steers in 1993, compared to a discount in 1986/87. However, steers identified as having more than 1/4 Brahman breeding received discounts in 1993 that were similar to those received in 1986/87.

Little change occurred in price/cwt for lightweight dairy-type steers; however, the discount for yearling dairy steers increased

in 1993. The increased discount may have been a function of the high cost of gain of dairy steers in the winter of 1992-1993 or a change that occurred in basis specifications of dairy steers on packers' slaughter contracts. Longhorn cross steers sold at greater discounts in 1993. This may have been associated with poorer feedlot performance and a lack of muscling compared to other beef breeds of cattle.

**Table 1. Estimated Steer Price Changes Associated with Change in Breed Type Relative to Herefords, Fall and Spring 1986-87 and 1993**

Item	1986-87	1993	1986-87	1993
	Steers 300 to 599 lb	Steers 300 to 599 lb	Steers 600 to 900 lb	Steers 600 to 900 lb
	----- \$/cwt -----			
Hereford	00.00	00.00	00.00	00.00
Angus	- \$1.75	+ \$1.40	- \$ .90	+ \$1.77
Hereford × Angus cross	+ .60	+ 2.73	---.--	+ 1.77
Continental cross	+ .83	+ 3.64	---.--	+ 1.95
Brahman less than 1/4	- 1.78	---.--	- 1.52	---.--
Brahman more than 1/4	- 7.17	- 8.20	- 3.90	- 3.54
Dairy	- 8.58	- 8.42	- 7.32	- 8.93
Longhorn cross	- 7.05	- 9.21	- 5.29	- 7.99