

How Much Should I Pay for a Bull?

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Years of use and cost/calf					
	1	2	3	4	5
calves sired/year*	19	30	43	50	50
purchase price					
\$ 2000	\$ 105	\$ 41	\$ 22	\$ 14	\$ 10
\$ 2500	\$ 132	\$ 51	\$ 27	\$ 18	\$ 13
\$ 2750	\$ 145	\$ 56	\$ 30	\$ 19	\$ 14
\$ 3000	\$ 158	\$ 61	\$ 33	\$ 21	\$ 16
\$ 3250	\$ 171	\$ 66	\$ 35	\$ 23	\$ 17
\$ 3500	\$ 184	\$ 71	\$ 38	\$ 25	\$ 18
\$ 3750	\$ 197	\$ 77	\$ 41	\$ 26	\$ 20
\$ 4000	\$ 211	\$ 82	\$ 43	\$ 28	\$ 21

* a bull should be mated to 'x' cows/65 day breeding season where 'x' equals the number of months of age of the bull. After 50 months of age, the bull is still mated to only 50 cows/65 day season. Note that composite bulls of high fertility can generally service 20% more cows/season than a purebred bull.

Purchasing a bull should be an investment in your herd and you want to get the best value for your dollars. I frequently get asked how much someone can afford to pay for a bull. The answer is always, "It depends." If you sell value-added cattle – freezer beef, fed cattle sold on the grid, preconditioned/backgrounded calves, replacement females etc. you will reap greater rewards for buying a bull that adds greater value. If you save back replacement females for your own herd you can spend more on a bull that has strong maternal traits and produces those moderate framed, easy fleshing, highly fertile females that eat less feed and produce more pounds than the huge cows that are all too common in the herds I see.

If you are truly in the beef business, you can add just a few dollars/calf to get a bull that will add much to your bottom line. If we compare two bulls from the table above you will see the difference in value. Let's say you buy a \$2000 bull and he is used for 4 years. His cost/calf produced is \$14. If you would have purchased a \$3500 bull instead your cost is still a modest \$25/calf. How could your operation benefit more than \$9/calf by buying the higher priced bull? Here are some ways:

- Add 9# of weaning weight
- Sell 14% more cattle that grade choice vs. select
- Decrease yield grade 4 cattle by 5%
- Add \$0.02/# to your freezer beef price for guaranteed tender
- Add 2 years of longevity for replacement females due to hybrid vigor

But if you buy a bull that excels in many traits you can do a fraction of each of the above and really make a better bull pay.

What value do you put on disposition? We put extreme emphasis on disposition and all our bulls are guaranteed for disposition for life.

A repeat customer bought a very good combination Balancer® bull a number of years ago. He paid \$3100 for the bull with the goal of keeping replacement females out of him. I agreed that this was a great use of the bull, but I commented that he should put some calves in the IBEEF program where he would get paid for gain, health and carcass quality as the bull was truly a great combination bull. He put 15 calves in the program and made \$156/head additional income on the bull vs. selling them as feeder calves. With only 15 calves sold this way he paid for 75% of the bull.

I have had clients that have kept their Balancer® bulls for seven or eight years. These bulls possess the same hybrid vigor as a composite cow that has nearly two more productive years than a purebred cow. So, while eight years is quite impressive for a bull, it is not unheard of.

Another repeat customer purchased some cow-calf pairs at a very attractive price a few years ago, but was quite disappointed with the weaning weights of the calves from these cows. Instead of selling the bottom end of these cows as I suggested, he turned in his highest growth Balancer® bull he had purchased from me two years before. The next year these same cows weaned off calves that weighed an average of 121# more than the previous year. If you add in the slide for heavier calves, these calves still netted him an additional \$76/calf over the previous year. So, his \$3000 bull added him \$1520 on just 20 head of calves.



So, is a bull an expense or an investment? The initial cost is not the most important factor in answering this question. If he adds pounds, increases percent choice or prime, decreases percent yield grade 4 and leaves you herd with superior females, he is an investment. If on the other hand the bull does some or all of those things for you then he is an expense and was officially only a 'bargain' for a single day. The bull that is an investment seems expensive for a day, but adds value from that day forward.