

What Drives Market Calf Prices in South Texas?

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Research conducted in South Texas in 2015 has found that prices were higher for polled/dehorned calves, they were lower for calves with red or spotted coats, and prices were not significantly lower for *Bos indicus*-crossed calves.

Extension faculty studied the premium or discount associated with various genetic and managerial factors of feeder calves in six South Texas counties. Data collected on 1,847 head of cattle included weight, price per pound, and visually evaluated coat color, sex, frame, fill, body condition, muscle score, *Bos indicus* influence, and presence of horns. The data were collected in livestock auction barns in Bee, Karnes, Jim Wells, Live Oak, and Starr Counties from April 2014 to September 2015.

The most significant findings centered on coat colors and patterns, horned vs. dehorned/polled calves, and *Bos indicus* influence.

Coat colors and patterns: The study found that of the coat colors and patterns in the study (black, red, white, dun, gray, brown, smoky, red brindle, black-with-white face, red-with-white

face, and spotted), only solid red and spotted calves received a discount.

No other coat color was statistically different in price from another. Red calves were discounted \$9.00 per cwt and spotted calves \$33.00 per cwt.

Presence of horns: Horned calves received a \$6.30 per cwt discount relative to polled/dehorned calves. This indicates that the revenue benefit of selecting polled genetics or dehorning calves was \$31.50 per 500-pound calf in 2015.

The discount for horned calves will likely increase as herds are being rebuilt after the 2010–13 drought. With more calves available, feedlot operators will likely offer lower bids for horned calves.

***Bos indicus* influence:** The study evaluated five levels of *Bos indicus* influence: 0, 25, 50, 75, and 100 percent. After adjusting for the other factors, calves with 25 percent, 50 percent, and 75 percent *Bos indicus* influence had no statistically significant difference in price compared to those with 0 percent *Bos indicus* influence.

This result implies that, on average, South Texas producers can take advantage of the increased productivity of *Bos indicus*-influenced breeding stock without taking a discount on the calves produced.

Full-blood *Bos indicus* calves had a discount of \$22.90 per cwt. Although the study adjusted for as many relevant factors as possible, this type of research cannot fully capture the effects on breeding females, especially in a rebuilding period.

Table 1 shows that the percentage of females being sold declines as *Bos indicus* influence increases. This trend indicates that high-quality *Bos indicus*-influenced and full-blood *Bos indicus* heifers are either being retained or sold in private sales to a disproportionate degree.

It also suggests that the discount typically associated with high-percentage *Bos indicus* male

Table 1. Percentage of steers, bulls, and heifers sold in South Texas by *Bos indicus* influence, April–September 2015

Percentage by <i>Bos indicus</i> influence	Steers	Bulls	Heifers
0%	22.3%	27.7%	50.0%
25%	24.1%	31.5%	44.4%
50%	22.6%	41.7%	35.7%
75%	30.9%	40.1%	29.0%
100%	58.7%	13.0%	28.3%

calves is independent of the value of *Bos indicus* crosses and 100 percent *Bos indicus* heifers as replacement females.

For more information, see *Impact of Brahman Influence on Breeding Female Prices in South Texas: Results from a Special Sale in Bee County*, at <http://bit.ly/1QPyMVC>.

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