



by **RON TORELL**,  
long-standing  
educator and  
advocate of  
agriculture

# Cow Camp Chatter

## Steer-heifer price spread

Why do heifer calves sell so far back from their steer counterparts? Regardless of the similarities between the cost of

production with steers and heifers, steer calves generally demand up to a dime more per pound (lb.) at weaning than

their heifer herdmates. One would expect the steer-heifer spread to narrow as the demand for replacement females increases. If expansion of the national beef cow herd accelerates as anticipated, the question may become: Why do steer calves sell equal to or behind their heifer counterparts?

---

**During the herd-building phase, there is going to be an increase in the demand for heifers. This justifies the narrower or at-par price spread compared to steers that may be forthcoming.**

---

Historically, problems associated with heifer purchases are revealed as these animals progress through the production chain. Some of the following scenarios may offer clarification motivating the price spread between genders.

- Ranchers generally retain the top end of their females as replacements and market the remainder, realizing the likelihood of reduced performance on the bottom end. At the same time, 100% of the steers are sold with a higher expectation of overall performance because of gender expression for growth and muscle deposition.

- Heifers generally gain weight slower and convert feed less efficiently. This results in higher breakeven costs for both the stocker and the feedlot operator. These higher breakeven costs warrant the wider price spread. Increases in corn and feedstuff costs reinforce the need for efficient cattle during the growing and finishing phases.

- Heifers bound for the feedlot and rail are terminal market. Stocker operators must deal with the challenge of keeping heifers open and guaranteeing them as such upon delivery to the feedlot operator. Pregnant heifers on a finished ration in a feedlot may cause huge problems with dystocia or the unexpected delivery of calves under unfavorable conditions.

- Carcass yield grades and carcass sale weights favor steers, while heifers may excel in quality grade. In isolated cases, lightweight carcasses from smaller-framed heifers may result in a discount on the end product. A higher percentage of dark-cutter carcasses are seen on the rail with females compared to males, which may also result in discounts.

► Transportation restrictions across state lines limit and/or add input and management costs when marketing heifers vs. steers. Restrictions related to reproduction and animal-health issues in some states include brucellosis and tuberculosis. Restrictions in the movement of heifers often require blood testing or vaccination prior to shipment so that an interstate health certificate may be secured. Working facilities and additional labor is often required at the point of shipping in order to meet the regulations required by law.

► At birth, body weight between steers and heifers is very narrow, with heifers usually weighing a few pounds less than steers. As cattle age, their genetic and gender potential is expressed provided their feed ration is of sufficient quality and quantity for growth. At harvest, steers may weigh 100-150 lb. more than their heifer counterparts, resulting in a bigger paycheck.

► An increase in body-weight spread between genders is expected as animals age, along with a narrowing of the steer-heifer price spread. A gender price spread of 10¢ per lb. as a weaned calf may be as narrow as 4¢ per lb. as a heavy yearling and at par at time of harvest on the rail. As heifers grow closer to the end market, many of the risks associated with their production are behind them, suggesting a narrow end-market steer-heifer price spread.

► There are a few management procedures often applied to heifers in an effort to narrow the steer-heifer price spread. These procedures include but are not limited to spaying; aggressive implant programs; and genetic selection of larger-framed, heavier-muscled, terminal-cross sires.

Given all the negatives relative to the sale and purchase of heifers vs. steers, which historically justify a wide steer-heifer price spread, the bottom line is if our national cow herd numbers are lower than they've been since the 1940s, the only way to increase this inventory is through the retention of replacements. This is a simple function of supply and demand. During the herd-building phase, there is going to be an increase in the demand for heifers. This justifies the narrower or at-par price spread compared to steers that may be forthcoming.

This issue wraps up our series of "Cow Camp Chatter" articles. It is our hope that you have found some useful information over the years that applies to your operation. Thank you for your readership.



**Editor's Note:** Catch all of Ron Torell's columns in the archive of the Angus Beef Bulletin EXTRA, the electronic supplement to the printed publication. Sign up to receive the EXTRA at [www.angusbeefbulletin.com](http://www.angusbeefbulletin.com).