Feeder-Cattle Grades

Get a handle on the value difference between feeder cattle of different grades.

Story & photo by
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If you're in the business of marketing feeder cattle, you might follow the market by checking prices paid at local auction markets, or by checking information received through some market reporting service. The U.S. Department of Agriculture Agricultural Marketing Service (USDA-AMS) issues feeder-cattle

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price summaries for various marketing regions. Monitoring the market, through these price reports, can help a producer get a feel for what his or her feeder cattle might be worth.

But the information probably is most useful to the producer who understands the terminology used by market reporters. For example, a Sept. 22 report summarizing feeder-cattle sales at the Saint Joseph, Mo., Stockyards said "Medium and Large 1" steers weighing 500 to 600 pounds (lb.) earned prices ranging from $117 to $123.50 per hundredweight (cwt.), while "Medium and Large 1-2" steers of the same weight class fetched prices ranging from $112 to $118.25 per cwt.

Does the average producer understand that the value difference between those groups of steers was related to feeder-cattle grade?

Does the average producer know to which group his or her feeder calves might compare?

Producers probably understand if they trade a lot of feeder cattle, says Corbitt Wall, who supervises USDA market reporting in Missouri. But Wall thinks plenty of producers — and particularly those not "in the market" frequently — may not really understand feeder-cattle grading. And differences in grade account for differences in prices paid for cattle in the examples cited. A lack of understanding is nothing to be ashamed of, but having a grasp of feeder-cattle grading concepts can enhance marketing efforts. At the very least, a producer will understand the feeder-cattle descriptions used in USDA market reports.

Frame and muscling

According to Wall, standards were established to describe various types of feeder cattle to create a common trade language between buyers and sellers. They are used to sort cattle at sales where cattle are officially graded and ownership commingled. They are used to officially describe cattle associated with contracts on the futures market and, of course, the standards are used as a basis for federal-state livestock market reporting.

Table 1: Description of USDA feeder-cattle grading standards for frame by expected weight to grade Choice

Category	Frame	Steers	Heifers
L	Large+		
	Large	✳	✳
	Large-	1,250 lb.	1,150 lb.
M	Medium+		
	Medium	✳	✳
	Medium-	1,100 lb.	1,000 lb.
S	Small+	1,100 lb.	1,000 lb.
	Small	✳	✳
	Small-		

Source: USDA AMS-586, published in *U.S. Standards for Grades of Feeder Cattle,* FC Pub 1000.

Table 2: Description of USDA feeder-cattle grading standards for muscling

Minimum thickness	Degree of thickness
1	Moderately thick -
2	Tends to be slightly thick -
3	Thin -
4	

Source: AMS, October 2000, published in *U.S. Standards for Grades of Feeder Cattle,* FC Pub 1000.

"Feeder-cattle grades are based on differences in frame size and muscling. Those are the two most important factors affecting value. Basically, we're looking for the feeder calf's potential to produce a Choice-quality carcass when it reaches slaughter weight," Wall explains.

"We look at frame size, because it's related to the weight at which an animal ought to produce a carcass that will grade Choice. Large-framed animals typically require more time in the feedlot to reach a given carcass quality grade and will weigh heavier than a small-framed animal would weigh at the same grade. We look at muscle thickness in a feeder calf as an indication of lean meat yield. Thicker-muscled animals will have more lean meat."

Wall says feeder-cattle grading standards recognize three frame size categories: L (large), M (medium) and S (small). Muscle thickness is scored numerically from 1 to 4 (see accompanying charts). Animals scoring No. 1 would be at least moderately thick and full in the forearm and gaskin, showing a rounded appearance through the back and loin areas, with moderate width between the legs, both front and rear.

No. 2 feeder cattle must display at least slight thickness of muscling throughout and slight width between the legs. A No. 3 muscle score denotes thin muscling and close-set legs, as may be typical of animals with a significant amount of dairy breeding. Muscle score No. 4 would describe animals that have less thickness than the minimum requirements for No. 3.

This creates 12 possible combinations for grading thrifty feeder cattle, using an appropriate frame size coupled with an appropriate muscle score. "Thrifty," says Wall, is the term used to describe cattle that are healthy and should respond favorably to normal feeding and management practices.

A 13th grade, "Inferior," exists for feeder cattle that are unthrifty due to injury, disease, parasitism or mismanagement. "Double-muscled" animals also are included in the Inferior grade. Despite the volume of muscle they produce, they are unable to produce carcasses with sufficient marbling to grade Choice.

"So, a Large-frame No. 1 (L1) feeder calf would be of large frame size — tall and long-bodied for its age — and the kind of steer we would expect to have a half inch of fat over its 12th rib and produce a Choice carcass when finishing at 1,250 lb. or more. No. 1 means the calf has at least moderately thick muscling throughout," Wall says. "Nearly everyone thinks they raise No. 1's, but most people don't. No. 2's are far more common."

In practical application, muscle score 4 is almost never used. Wall says it would describe "the sorriest one you ever saw, just before it died." Consequently, feeder-cattle market summaries typically report prices for feeder cattle graded according to the three frame sizes and just three muscle scores.

Returning to our examples from a September Saint Joseph report, we see that both groups contained a mix of large- and medium-frame cattle, but the first group was well-muscled and demanded higher prices than the second group representing a mix of cattle with muscle scores of 1 and 2.

"Assuming the cattle are healthy," Wall says, "grading feeder cattle is about frame size relative to age, and muscling. Muscling is pretty important."

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