

Ross Mosteller
District Extension Agent, Livestock & Natural Resources

What's the Value of Heifers???

I appreciate finding heifer calves when tagging babies, especially out of proven cow families. Admittedly, my love for that same heifer declines when it comes time to deliver her first calf. If you sell weaned heifer calves as feeders, you know there is a price discount that comes from the lower feedlot performance in the next production phase. There is much discussion in the industry right now about the value of calves and future of the national cow herd. Heifers definitely play a key role in this discussion, so let's take a look at some factors to consider in deciding a heifer game plan.

For the cow-calf producer it is a very real possibility that heifers have more potential value than their steer mates, maybe any year, but surely as we reach record low cow numbers. Mostly this comes from the versatility and opportunities heifers have over bulls or steers. Obviously, the national cow herd is made up mostly of cows, with relatively few bulls in comparison, for propagating the next generation. Cows also have the most impact on pastures and other resources of the operation as well.

Heifer calves give a cow-calf producer several marketing options. Here are a few:

- They can be sold at weaning as feeder calves
- They can be retained, developed and exposed for breeding
- Heifers that don't conceive basically become stockers and can be sold as feeders
- Those pregnant heifers can become herd replacements or sold as bred heifers
- Bred heifers can be calved out and sold as pairs, which often are bought at premium
- As heifers enter the herd they become income generators with their offspring
- Young to middle-aged bred cows or pairs can be sold later in life
- Cull cows always have some value, really good value right now

While all these points are valid, there is the heifer development cost discussion too. Operations need to determine if it is more economical to sell heifers now and buy back bred females or pairs later in the cattle cycle, develop bred heifers/pairs or some other strategy. Extended drought, reduced forage inventory and market factors all come into play in this discussion. If feed is short, it may be needed to focus on keeping the existing cow herd producing. There are some tax benefits of selling breeding females versus feeder calves, so consult your tax preparer and/or accountant for advice. Needless to say, there are many factors to consider in all of this discussion.

Without doubt, the current cattle market and the long-term cattle cycle are a big part of this discussion. The heifer calves that will generate the most value are the ones who produce calves when prices are high and then are sold themselves as a bred cow or for harvest when prices are near the cyclical peak. Market conditions and the long-term cattle cycle trends impact the potential lifetime value that will be generated by a heifer calf. Heifers purchased for high prices on the peak of the last cattle cycle, took longer to return profitability, as calf prices dropped as quickly as they rose.

All of this said, each operation is likely in a different place, needing to make their own decisions. One only needs to look at a sale barn market report to see the current, real dollar value of steers versus heifers on a price per pound basis. There are other factors at play, like genetic potential of known and tested genetics, versus commodity, unknown origin heifers. Understanding of operational goals, use of a sharp pencil and a little luck in forecasting markets helps with making the "right" marketing decisions and answering the question of the value of heifers. To quote a colleague I've read, "For cow-calf producers who understand and leverage a heifer's value potential, steers are great for providing income, but heifers can be used to generate wealth."