



## **Comparison of Prices of Stocker/Feeder Cattle Lampasas Auction, April to November, 2002**

Lampasas County Area Beef Producers 2002

Mike Mallett and Dr. Steve Hammack  
County Extension Agent-Agriculture and Extension Beef Specialist, respectively

Lampasas County

### **Summary:**

Analysis of data from local auctions showed some meaningful price differences due to muscle category and breed type. Market price is an important determinant of financial returns in beef cow/calf enterprises. Lampasas county producers should aim to avoid excessive price discounts while optimizing reproductive efficiency, survival, animal weights, and costs in order to maximize profit.

### **Objective:**

To compare variation in price for different muscle categories and breed types of stocker/feeder cattle at the Lampasas auction by periodically collecting data from April to November, 2002.

### **Materials and Methods:**

Prices were recorded on 285 head of steers/bulls at auction held in eight weeks from April 3 to November 6 in 2002. Data were collected on cattle that could be characterized as USDA #1 or #2 muscle thickness and as either American (showing visible indication of Brahman-type genetics), Continental (showing influence of Continental breeds, primarily Charolais, Simmental, and Limousin) without visible indication of Brahman-type, or Okie (neither Brahman-type nor Continental influence visible). Prices were adjusted for differences in weight class and week of sale (based on averages from Texas auctions as reported by the USDA Agriculture Marketing Service). Because of small numbers represented, 16 records were deleted from the analysis of cattle weighing less than 400 pounds or more than 700 pounds.

### **Results and Discussion:**

Cattle of #1 muscle averaged selling for \$3.76/cwt more than #2 muscle. Okies averaged bringing \$1.72/cwt more than Continental and \$2.47/cwt more than American. An analysis of

nine backgrounded, commingled sales held at a Central Texas location (which included over 20,000 cattle sold in 821 lots) reported a difference of \$3.61/cwt between #1 and #2 muscle categories, almost exactly the results reported here. The commingled sale analysis showed that Okies averaged \$1.52/cwt more than cattle of below 1/4 Brahman influence and \$2.80/cwt more than cattle of 1/4 to 1/2 Brahman influence. However, in the commingled sales, Okie lots brought \$1.01/cwt less than cattle of Continental influence, contrary to the finding in this report. It may be that market preference for Okies relative to Continentals has changed since the commingled sale report which covered the period from November, 1999 to March, 2001.

Using the findings of this report, a #1 Okie would sell for \$5.48/cwt more than a #2 of Continental influence and \$6.23/cwt more than a #2 American. It would require some 40 to 50 pounds more sale weight per animal to offset that price advantage.

Highest prices were paid for #1 muscle Okie-type cattle. This advantage could be diminished or even lost if other types could be produced more efficiently to heavier weights. Producers should strive for the optimum combination of reproductive efficiency, survival, sale weight, sale price, and production costs to arrive at highest economic returns. The most efficient and profitable combination of these factors is not the same for all conditions.

#### **Acknowledgments:**

Appreciation is expressed to the Lampasas Cattle Auction for the use of their facilities in gathering this data.

Trade names of commercial products used in this report are included only for better understanding and clarity. Reference to commercial products or trade names is made with the understanding that no discrimination is intended and no endorsement by the Texas A&M University System is implied. Readers should realize that results from one experiment do not represent conclusive evidence that the same response would occur where conditions vary.