

Demand for Hereford Bulls Could Double



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The research results in this article should stimulate a level of excitement in Hereford breeders that has been decades in the making. A recent survey conducted by *Drovers* and Vance Publishing Research Services indicates that the market share, or at least the market demand, for Hereford bulls being sold to commercial producers could almost double in the next three years.

This winter and spring bull sale season reflected a very dynamic demand shift in the Hereford breed that's been on the upswing for the past three to five years, supporting what this most recent study shows.

Between 2001 and 2005, the average market share for the Hereford breed was approximately 15.5%. Or just more than 15 out of 100 producers were interested in purchasing a Hereford bull — as reported by Vance Research Group. Today 24% of producers indicated that they are interested in purchasing a Hereford bull in the next three years.

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Market share will only reach this level if Hereford breeders are able to produce the number of acceptable quality, performance recorded, registered Hereford bulls to meet the market demand that's present. If the demand cannot be met, then

another product or breed will capture that market share. It's simple supply and demand economics.

Vance Research Services surveyed 22,000 cow-calf operators who are *Drovers Alert E-news* subscribers. More than 880 producers representing 45 states responded, a 4% return rate and a statistically significant sampling for such a large and diverse group. Several demographic questions were asked — cow herd size, cow herd genetic make up, breed of bull preferences, and important trait selection preferences. Watch for more about the survey in future *Hereford World* issues and at *Hereford.org*.

The most telling change between the last survey conducted in 2005 and this most recent survey was the heightened interest in the Hereford breed. The Angus breed maintains the dominant market demand presence, capturing 67% of the producers surveyed. However, it appears that the Angus breed may have peaked in growth and flattened in demand over the course of the past five years. All other breeds, for the most part, have also maintained flat demand, while Hereford was the only breed reporting a significant upswing in demand.

Surveyed producers listed, in order, 1) disposition, 2) calving ease, 3) fertility tested, and 4) breeder reputation as the top four traits they were most interested in when making bull buying decisions. This trend bodes well for

the Hereford breed that has proven to consistently deliver on all four of these top traits of interest and also have the bonus of delivering heterosis that can be added to the predominantly (73%) Angus-influenced cow herd.

The economic impact of such a demand shift will be dynamic. In 2009 the AHA registered 23,566 bull calves. There were a total of 46,809 total male calves recorded through Whole Herd Total Performance Records (TPR) and the registry system of which 7,100 were steer calves and the balance (23,243) unregistered bull calves.

A market demand going from 15.5% to 24% could potentially double the demand for performance-tested registered Hereford bulls. Meeting that demand and supplying that need is what will ultimately determine the future of Hereford's market share.

That type of demand will obviously have to be met with caution, as the temptation to keep inferior intact males in production becomes more prevalent. This is a challenge the Hereford breed has been working toward for years. Maintaining this kind of perception will be the ultimate challenge.

Remember, breeder reputation and integrity is one of the most important considerations to commercial producers. Sustaining a progressive, quality image will be all Hereford breeders' responsibility if we wish to enjoy growing demand for Hereford range bulls. **HW**