

Keep Charging

Demand trends underscore Hereford growth opportunity.



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Congratulations to all the juniors and their families who trekked to Louisville for the 2022 VitaFerm® Junior National Hereford Expo (JNHE). The event was fantastic, and the Kentucky hosts went above and beyond to make sure everyone had a great time.

Along with JNHE coverage in this issue of *Hereford World*, look for the economic comparison of genetics represented in the National Junior Hereford Association (NJHA) Fed Steer Shootout on Page 38. Nicely done, juniors. Keep selecting cattle that can perform in all sectors of the industry.

Hereford bull demand grows

By all measures, demand for Hereford genetics continues to grow. In particular, demand for Hereford bulls continues surging as commercial cow-calf producers leverage breed complementarity and heterosis. Consider that the average price paid in 2021 for Hereford bulls reported by the American Hereford Association (AHA) was \$5,745. That was \$1,079 more (+23%) than the average price five years earlier.

More specifically, look at the feeder calf/bull sale price ratio (Table 1) over the last decade. The AHA Board of Directors adopted this metric as one key barometer of breed demand in the organization's last strategic plan. It is also one component of the Hereford Demand Index (HDI), which tracks the change in demand for Hereford genetics. Other HDI components are AHA annual registrations, Hereford semen sales and pounds of Certified Hereford Beef® sold.

Essentially, the feeder calf/bull price ratio quantifies the number of feeder calves required to buy a Hereford bull. The feeder calf price for

each year is the average of steers and heifers weighing 550 pounds, reported by CattleFax. Average bull prices are those reported by AHA.

During the last decade it took from 4.6 calves (2014) to 6.6 calves (2021) to buy a Hereford bull. Granted everything costs more to operate today, but this positive trend reflects the opportunity bull buyers identify to invest more in Hereford bulls, which return more to their bottom line.

Keep in mind, the 2021 bull price average accounts for 6,280 bulls, one of the largest volumes ever reported by AHA. So far this year the trend continues at a similar pace — even with feeder cattle prices sharply higher year over year. This year's preliminary feeder calf/sale price ratio is just over 6:1.

Focusing on key economically relevant traits and delivering Hereford genetics that offer commercial cow-calf producers more profit opportunity is even more important today. Hereford demand will continue to grow as the breed offers inherent genetic advantages others cannot. But continued demand also depends on Hereford breeders' ability to deliver genetics in a balanced package that satisfies commercial producers' phenotypic needs, too. Keep them sound! **HW**

Table 1: Feeder calf/bull sale price ratio

Year	Feeder Price*	Bull Price*	Feeder Bull Ratio
2012	\$858.41	\$4,671	5.4
2013	\$840.96	\$4,763	5.7
2014	\$1,110.15	\$5,089	4.6
2015	\$1,436.17	\$6,380	5.4
2016	\$968.19	\$5,553	5.7
2017	\$804.80	\$4,666	6.0
2018	\$893.69	\$4,930	5.8
2019	\$865.78	\$4,853	5.8
2020	\$820.33	\$4,784	5.8
2021	\$873.29	\$5,745	6.6

* Cattle Fax average price/hd. for 550lb steers and heifers

* AHA reported bull sales