

Steers and Bulls: Price Gap, Price Slides, & Value of Additional Pounds

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Year after year, cattle producers have a calf crop that is typically almost 50 percent bull calves. Many producers will castrate these bull calves, making them steers, for a multitude of reasons. Two reasons being that steer calves have a higher meat quality and are more docile than bull calves, making them easier to handle and creating a safer work environment. However, the main reason for castrating bull calves, and why it is encouraged, is the higher price received for steer calves compared to bull calves.

According to the 2017 USDA-NAHMS report on Beef Cow-Calf Management Practices in the United States, 62 percent of all operations indicate that they castrate bull calves before sale. The percentage of operations that castrated increased with size of operation. Large operations (200 head or more) had the highest percentage, 90 percent, followed by medium (50-199) at 80 percent, and small (1-49) at 55 percent. Responses were also divided by region. The percentage of operations that indicated they perform castration on bull calves was the highest in the Central region (86 percent), followed by the West (57 percent) and the East (48 percent).

Florida ranks number nine in beef cow production as of January 2023. With that being said, 85 percent of the state consists of mostly small operations with 1-50 head in a herd. Consisting of mostly small operations and being located in the East region, Florida is included in the two lowest percentages of operations that castrate bulls before sale. Not castrating bull calves on small farms could be the result of several circumstances such as lack of proper facilities and labor. However, the price for steer calves compared to bull calves shows to be historically greater in Florida. Therefore, if possible, producers should consider implementing castration of bull calves as a management strategy to avoid receiving a discounted price.

Prices for 450–495-pound steer calves in Florida over the last six years (October 2017-December 2023) have averaged at \$173.10/cwt or \$822/head, 5 percent higher than average bull calf prices at \$165.58/cwt or \$786/head. That results in an average discount of \$7.52/cwt or \$33.84/head. In 2023, prices for steer calves were 6 percent higher on average with average steer prices at \$241.37/cwt or \$1,146/head and bull prices at \$227.87/cwt or \$1,082/head. The average discount in 2023 almost doubled the six-year average at \$13.50/cwt or \$60.75/head. It is evident that steer calves, on average, consistently receive a higher price than bull calves.

However, bull calves may weigh more than steer calves at the time of weaning, essentially bringing a higher price. But after considering the price slide for entering a heavier weight class, what is the actual value of those extra pounds and how many additional pounds would that bull calf need to make up for the discount? The price slide is the amount that prices decrease as weight increases. For example, in 2023, a bull calf that weighs 475 pounds sells for \$227.87/cwt or \$1,082.38. With a \$15/cwt price slide, much like we are seeing in today's market, (\$15 decrease for every 100-pound increase), a bull calf weighing 50 pounds more at 525 pounds sells for \$1,156.94 ($\$227.87 - \7.50×5.25). The value of those additional 50 pounds comes out to \$1.49/pound (Table 1). To make up for the \$64.13 discount we saw in 2023, this bull calf would need to weigh 43 pounds more than the 475-pound steer calf. In this scenario, the bull calf is heavy enough to offset the discount. But let's say the bull calf only weighs 500 pounds rather

than 525 pounds (Table 2). With the same \$15/cwt price slide, the calf would sell for \$1,120.60. This bull calf sells for \$38 more than the 475-pound bull calf but is still short \$26 to make up for the \$64 discount compared to the 475-pound steer.

Table 1. Price Slides and Value of Additional Weight, 2023 Prices

	\$10/cwt price slide	\$15/cwt price slide	\$20/cwt price slide
*Value of 475 lb bull, initial price of \$227.87/cwt	\$1,082.38	\$1,082.38	\$1,082.38
Value of 525 lb bull	\$1,170.07	\$1,156.94	\$1,143.82
Value of each additional pound	\$1.75	\$1.49	\$1.23
Pounds needed to add \$64.13 of value per head	37	43	52

Table 2. Price Slides and Value of Additional Weight, 2023 Prices

	\$10/cwt price slide	\$15/cwt price slide	\$20/cwt price slide
*Value of 475 lb bull, initial price of \$227.87/cwt	\$1,082.38	\$1,082.38	\$1,082.38
Value of 500 lb bull	\$1,126.85	\$1,120.60	\$1,114.35
Value of each additional pound	\$1.78	\$1.53	\$1.28
Pounds needed to add \$64.13 of value per head	36	42	50

**Price is based on 2023 average in Florida*

Adapted from: Burdine, K. "[The Steer-Bull Price Differential: A Historical Perspective.](#)" *Economic and Policy Update* (21):8, Department of Agricultural Economics, University of Kentucky, August 31st, 2021.

In conclusion, castration is encouraged on cow-calf operations in Florida, as well as across the country to take advantage of higher prices. However, if castration is not a feasible option, knowing the discount and being aware of the current price slide is crucial in knowing how many additional pounds your bulls need to put on to receive the same value as steers. Along with castration, implanting steers is also a beneficial and economical option to gain more pounds without getting the bull discount. With prices expected to stay favorable for at least the next year, use this time to consider and invest in making these efficient and economical changes on your operation.

USDA, NASS. 2017. "Table 16: Beef Cow Herd Size by Inventory and Sales: 2017." *USDA, NASS 2017 Census of Agriculture*. [USDA - National Agricultural Statistics Service - 2017 Census of Agriculture - Volume 1, Chapter 1: State Level Data](#)

USDA, NAHMS. 2020. "Beef 2017 Report Part 1: Beef Cow-Calf Management Practices in the United States, 2017." *USDA, Animal and Plant Inspection Service*. [USDA APHIS | NAHMS Studies Table](#)

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