



How Much Can I Pay for A Bred Replacement Heifer?

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As the U.S. cattle industry turns the corner of this cattle cycle, producers have begun asking the question, "How much can I pay for a bred replacement heifer this year?" This is indeed a tough question to answer because cow-calf producers and their operations are vastly different. That is, some producers have better soils, forages, cattle, resources, and management than others. These top managers can afford to pay more for bred replacement heifers.

Producers have historically referenced bred replacement heifers in terms of how many calves are needed to pay for a bred replacement heifer or cow while ignoring production costs. Over the last 30 years, the cost of a bred replacement heifer has averaged 1.5 times the price of a 550-pound feeder steer. However, in years where U.S. cowherd expansion has taken place the ratio can move up to 1.65. By knowing the price relationship between the cost of a bred replacement heifer and a 550-pound feeder steer, cow-calf producers have some guidance on how much they can pay for bred replacement heifers this fall.

During the next decade, there will be a wide range of prices for bred replacement heifers. Price levels this fall will vary for many heifers due to producers' focus on quality versus quantity, location, condition, value, and genetics. Producers can use these tables as a guide while purchasing bred replacement heifers. Table 1 describes the expected purchase price of bred replacement heifers for various feeder steer prices (\$/cwt.) and the ratio of 550-pound feeder steers needed to pay for a bred replacement heifer. For example, assuming 550-pound feeder steers at \$120/cwt. and a ratio of 1.30 results in an expected purchase price of \$858 for a bred replacement heifer. Thus, in this table the expected purchase price of bred replacement heifers ranges from \$858 to \$1,496 based on the combinations of 550-pound feeder steer prices and ratios listed.

Table 1. Expected Bred Replacement Heifer Purchase Price*

550-pound Feeder Steer, \$/cwt.**	Ratio (Number of 550-lb. Feeder Steers Per Bred Replacement Heifer)									
	1.30	1.35	1.40	1.45	1.50	1.55	1.60	1.65	1.70	
\$120.00	\$858	\$891	\$924	\$957	\$990	\$1,023	\$1,056	\$1,089	\$1,122	
\$125.00	\$894	\$928	\$963	\$997	\$1,031	\$1,066	\$1,100	\$1,134	\$1,169	
\$130.00	\$930	\$965	\$1,001	\$1,037	\$1,073	\$1,108	\$1,144	\$1,180	\$1,216	
\$135.00	\$965	\$1,002	\$1,040	\$1,077	\$1,114	\$1,151	\$1,188	\$1,225	\$1,262	
\$140.00	\$1,001	\$1,040	\$1,078	\$1,117	\$1,155	\$1,194	\$1,232	\$1,271	\$1,309	
\$145.00	\$1,037	\$1,077	\$1,117	\$1,156	\$1,196	\$1,236	\$1,276	\$1,316	\$1,356	
\$150.00	\$1,073	\$1,114	\$1,155	\$1,196	\$1,238	\$1,279	\$1,320	\$1,361	\$1,403	
\$155.00	\$1,108	\$1,151	\$1,194	\$1,236	\$1,279	\$1,321	\$1,364	\$1,407	\$1,449	
\$160.00	\$1,144	\$1,188	\$1,232	\$1,276	\$1,320	\$1,364	\$1,408	\$1,452	\$1,496	

*The value of bred replacement heifers and cows will vary considerably by location, quality, and condition.

**550 lb. Feeder Steer, ML Frame, 1-2 Muscle Score

Normal Year



Expansion Year



Currently, 550-pound feeder steers are averaging around \$140/cwt. in the Southeast. This feeder steer price implies an expected purchase price for bred replacement heifer of \$1,155 per head or 1.5 times the value of a 550-pound feeder steer in a normal year. In years when the U.S. cattle industry is in the expansion phase of the cattle cycle, the ratio is increased to 1.65. Assuming a 550-pound feeder steer price of \$140/cwt. and a ratio of 1.65, the expected purchase price for bred replacement heifers would be \$1,271 per head.

Table 2 describes the number of calves needed to pay for a bred replacement heifer. It ranges from 1.14 to 3.11 (550-pound feeder steers) for the various feeder steer market prices and the expected purchase price of bred replacement heifers.

Table 2. Number of Feeder Steers Needed to Pay for a Bred Replacement Heifer*

550-pound Feeder Steer, \$/cwt.**	Bred Replacement Heifer Purchase Price							
	\$1,000	\$1,150	\$1,300	\$1,450	\$1,600	\$1,750	\$1,900	\$2,050
\$120.00	1.52	1.74	1.97	2.20	2.42	2.65	2.88	3.11
\$125.00	1.45	1.67	1.89	2.11	2.33	2.55	2.76	2.98
\$130.00	1.40	1.61	1.82	2.03	2.24	2.45	2.66	2.87
\$135.00	1.35	1.55	1.75	1.95	2.15	2.36	2.56	2.76
\$140.00	1.30	1.49	1.69	1.88	2.08	2.27	2.47	2.66
\$145.00	1.25	1.44	1.63	1.82	2.01	2.19	2.38	2.57
\$150.00	1.21	1.39	1.58	1.76	1.94	2.12	2.30	2.48
\$155.00	1.17	1.35	1.52	1.70	1.88	2.05	2.23	2.40
\$160.00	1.14	1.31	1.48	1.65	1.82	1.99	2.16	2.33

*The value of bred replacement heifers and cows will vary considerably by location, quality, and condition.

**550 lb. Feeder Steer, ML Frame, 1-2 Muscle Score

The price of bred replacement heifers is ultimately decided by a willing buyer and a willing seller. With both being fully informed about stronger consumer beef demand, a reduction in U.S. Cattle Inventory, and higher feeder calf prices on the horizon, cow-calf producers should expect to pay higher prices for bred replacement heifers over the next decade.