DEFINING THE VALUE OF SIMANGUS

This piece is in response to an increasingly frequent question posed by our membership and their customers. What are these SimAngus seedstock cattle worth?

As usual there is no single, nor simple, correct answer. There are however a few certainties to build from. SimAngus feeder cattle and replacement commercial females are worth significantly more than the “sale barn” average. That’s because the average SimAngus harvest group from the carcass merit program has averaged 76% choice or higher and over 60% Yeild Grades 1 and 2, with less than 4% discounted carcasses for Yield Grade and No Rolls. This data represents over 3500, sire identified SimAngus carcasses from a variety of herds, region, feed yards and packers. With industry averages of around 56% choice, <50% YG 1’s and 2’s and over a 15% discount rate for YG 4’s, and No Rolls (week of Nov. 15, 2004), SimAngus cattle set the standard for high quality/high cutability cattle. In terms of commercial replacements, research shows that SimAngus females have a huge advantage in lifetime production to straight-bred commercial females and excel other composite females for calving ease, and maternal weaning weight.

So, considering these facts and the increasing popularity and value of composite genetics, what is the value of SimAngus seedstock? The easiest group to quantify is SimAngus commercial bulls because of the established track record. Over the past several sale seasons, these bulls have sold for increasing prices and have been improving both genetically and physically. Last spring, SimAngus bulls routinely averaged between $2500.00 and $4000.00 depending on the average of the sale. In nearly every case where they were featured, they sold for at least as much, or more than the other bulls offered. I will qualify those averages by adding simply that the higher selling SimAngus bulls had something thing in common; known, high value, recognizable genetics on both the Simmental and Angus sides of the pedigree! Many early forays into SimAngus production featured only one known parent and subsequently offered reduced reliability in genetic value. With multi-breed EPDs for most traditional and carcass traits now available, it is finally possible to take full advantage of the SimAngus genetics you wish to obtain and use. Having recognized, high reputation parentage on both sides of these pedigree also increases the familiarity to customers and thus enhances the acceptance and value of the cattle, just as it does with any seedstock.

Placing a fair market value on SimAngus females has been much more challenging. Some consider these replacements to have a value consistent with standard or premium commercial replacement females. In general, that would be between $50.00 and $200.00 over feeder heifer price for opens with an additional $300 to $500 per head added for bred females one year older. Adjusted to today’s high feeder calf prices, that translates to roughly $850 to $1150 per open female, based on weight and $1400 to $1900 for breds depending somewhat on region and stage of pregnancy. These values are estimated and are dependent on many external factors including weight, regional feed resources, transportation costs, quality, service sire, guarantees etc. Certainly for commercial replacement females, this premium is appropriate, but what about SimAngus seedstock females?
Selected females representing the very highest value genetics both in their Simmental pedigrees and their Angus or Red Angus lineage, have the potential to be the most valuable genetic packages available to the seedstock and beef industry. It is truly possible to identify, capture and concentrate more valuable genes from more selected lines and breeds of cattle than ever before. When you have the potential to combine the best growth, cutability and maternal genes that the Simmental breed has to offer with the top marbling, birth weight and maternal genes offered by the Angus and Red Angus breeds, you can quickly select and produce a seedstock product that has great gene value, is easy to use in a crossbreeding system and is packed with the undeniable power of heterosis. Whether you then decide to breed these SimAngus seedstock in a Continental or British direction, maintain them as SimAngus at desired levels of each or select the best individuals to breed up and produce true outcross purebreds, the opportunities are great. So when you try to value these females or even seedstock level SimAngus bulls, keep these things in mind. It is my opinion that what you are accustomed to paying for purebred seedstock is at minimum what you should be willing to pay for the very best SimAngus genetics. **These cattle are truly seedstock and have the potential to be valuable A.I. stud bulls, donor cows or foundation females.**

Those who wish to concentrate on purebred genetics or the concentration of pure lines should see this as no threat. In fact, without large genetic databases, selected lines and years of commitment to finding the best genes, valuable composite cattle would be nearly impossible to make. Those composite herds that are closed to new gene introduction, condemn themselves to limited database power, a limited gene pool and thus a future of slow genetic and value improvement. Additionally, without continued commitment to line selection, large progress for specific, economically important traits will be difficult. Thus, the best way to maintain and improve SimAngus cattle is to continue to leverage and select superior genes from the three most powerful genetic databases available. Therefore, improved purebred cattle are crucial to make possible regular infusion of high value genetics into new, ever improving SimAngus cattle for the commercial beef industry to profit from.