

Price Discounts for South Carolina Feeders: Feeder Steers vs. Feeder Bulls

United States and South Carolina Beef Cattle Market Dynamics

National Market:

From 2020 through 2024, the United States (U.S.) cattle herd has declined after peaking in 2019, driven by drought, high input costs, and export/market pressures.

- Steers 500 lbs. and over declined from ~16.6 million head (2021) to ~15.8 million head (2024)
- Bulls 500 lbs. and over decreased from ~2.21 million (2021) to ~2.01 million (2025)

These declines reflect continued herd contraction and smaller feeder supplies outside feedlots.

South Carolina:

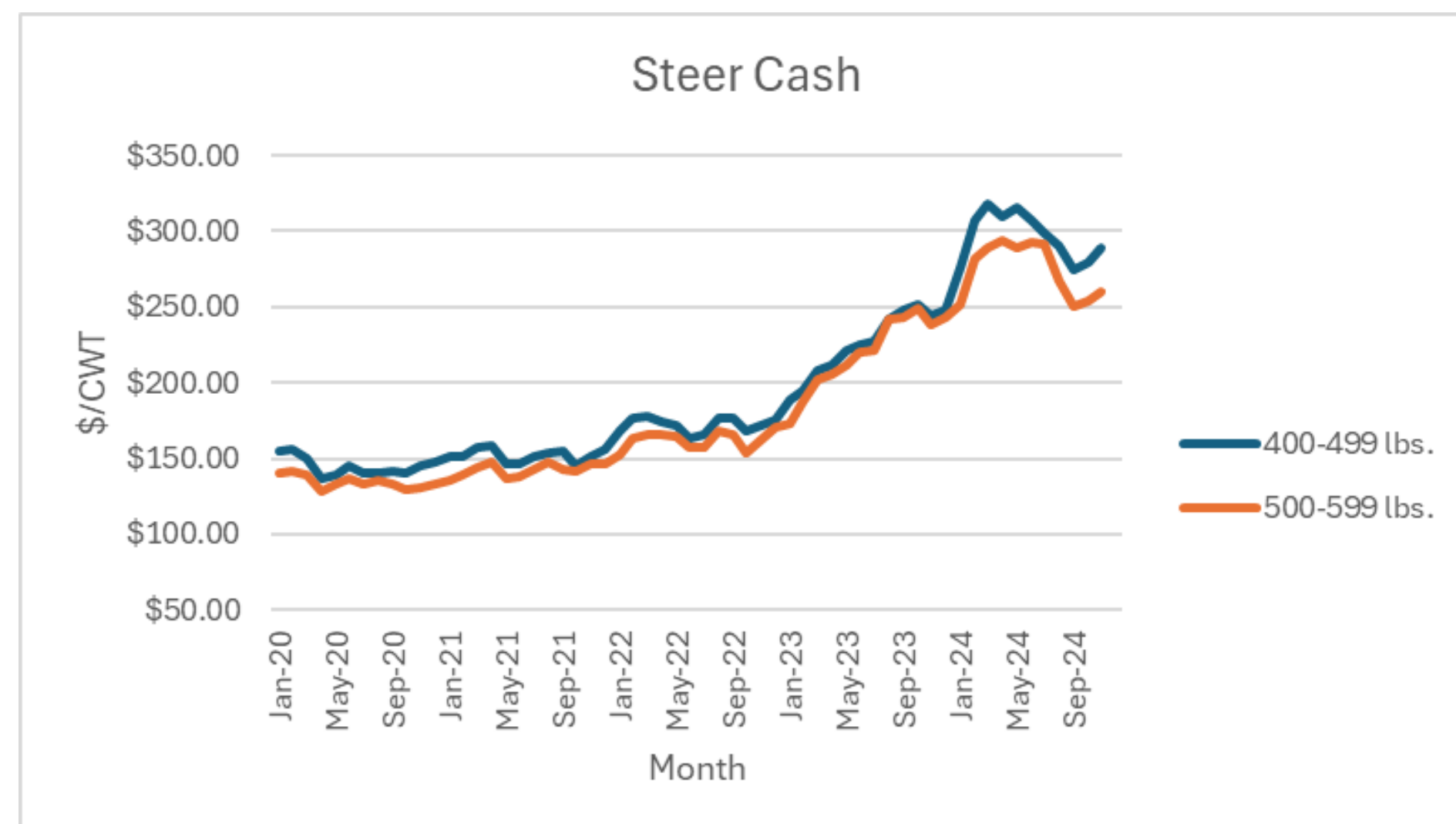
From 2020 -2024, the South Carolina cattle herd experienced a gradual contraction consistent with national herd trends reported by USDA NASS.

Total cattle and calves inventory declined from approximately 340,000 head in 2020 to 310,000 head by January 1, 2022, reflecting liquidation driven by drought pressure, rising feed costs, and tighter margins for cow-calf producers.

- Steers weighing 500 lbs. and over accounted ~11,000 head(2022), increased modestly to 12,000 head in 2023, and then declined to approximately 10,000 head in 2024.
- Bulls 500 lbs. and over followed a similar but less volatile pattern, declining from roughly 12,000 head in 2022 to 11,000 head in both 2023 and 2024.

Overall, South Carolina feeder cattle supplies tightened over this period, particularly for heavier feeder steers, mirroring broader U.S. herd contraction dynamics while reflecting the state's smaller, pasture-based production structure.

Fig. 1: Monthly South Carolina Feeder Steer Cash Prices for 400-499 pound and 500-599 pound weight classes in USDA-AMS Reporting Sale Barns from 2020-2024.



Prices for both weight groups followed similar trends over time, reflecting shared market fundamentals, with lighter steers consistently commanding a modest premium (Fig 1).

From 2020 through early 2022, prices were relatively stable, generally ranging from \$130 to \$170 per cwt, with short-term volatility driven by pandemic-era disruptions and feed cost uncertainty. Beginning in late 2022, prices increased sharply, accelerating through 2023 and peaking in early 2024.

This research aims to observe the expected discount for feeder bulls to feeder steers during a period of non-historical price increases. We expected the discount to remain stable; however, this study was interested in the magnitude of the discount and seasonality of the discount for each year.

The Feeder Bull Discount: Background and Research

Feeder bulls are expected to be discounted relative to feeder steers because they impose higher expected costs and risks on feedlot operations.

Bulls are:

- More aggressive and difficult to manage than steers, increasing the likelihood of injuries, facility damage, and stress-related performance losses (Schroeder et al., 1993).
- A primary driver of the discount is the need for post-purchase castration which can cause short-term weight loss, reduced feed intake, and elevated health risks, particularly bovine respiratory disease (Fike et al., 2011). These outcomes increase costs and death loss risk.

Buyers account for this by lowering bids on feeder bulls to offset the expected decline in net returns.

Empirical auction market studies consistently document statistically significant discounts for feeder bulls after controlling for weight, frame, muscling, and market conditions.

Seasonality of the Feeder Bull Discount in South Carolina

Fig. 2: Monthly South Carolina Feeder Bull to Feeder Steer Discount from for 400-499 pound and 500-599 pound weight classes in USDA-AMS Reporting Sale Barns from 2020-2024.

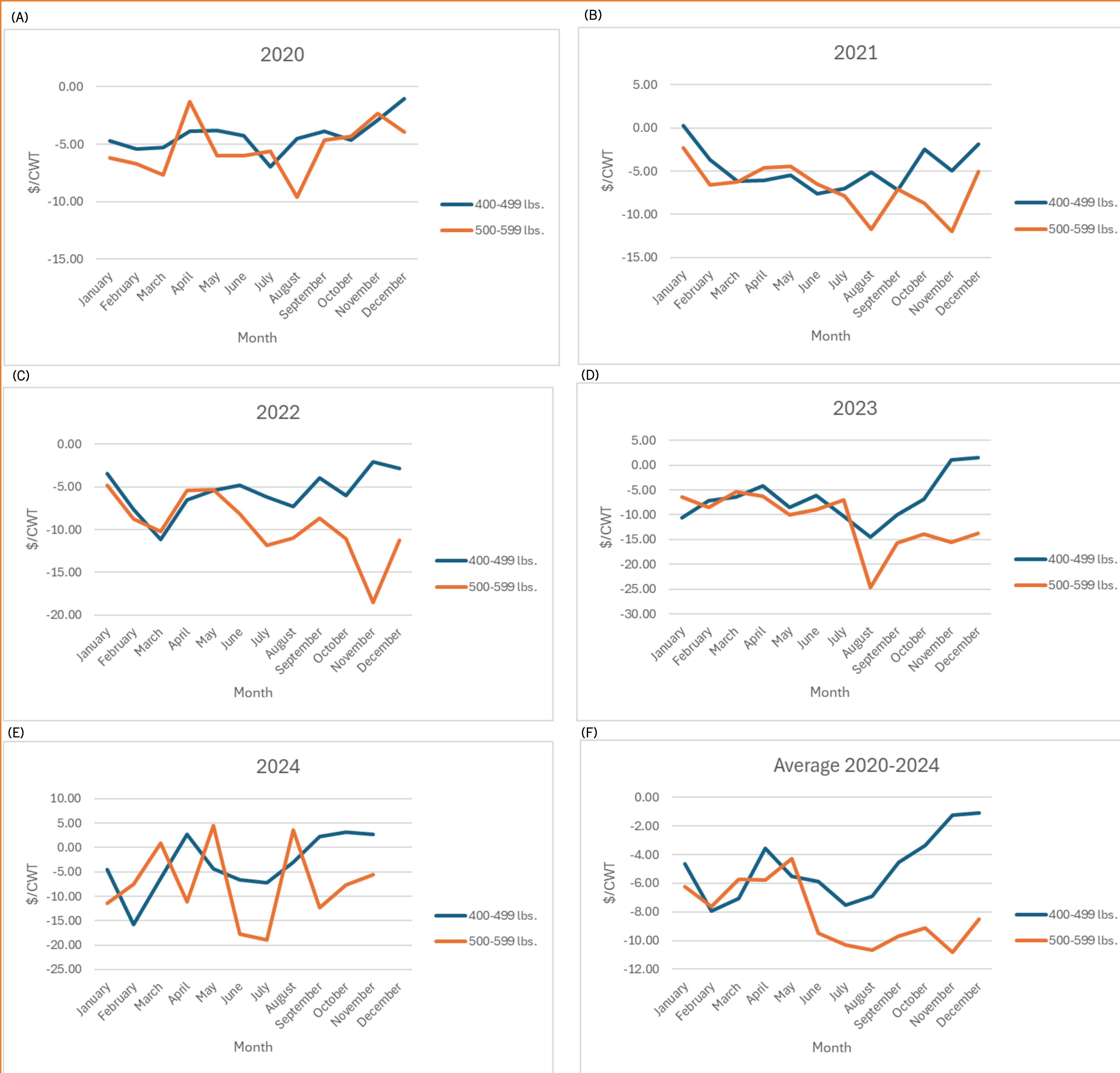
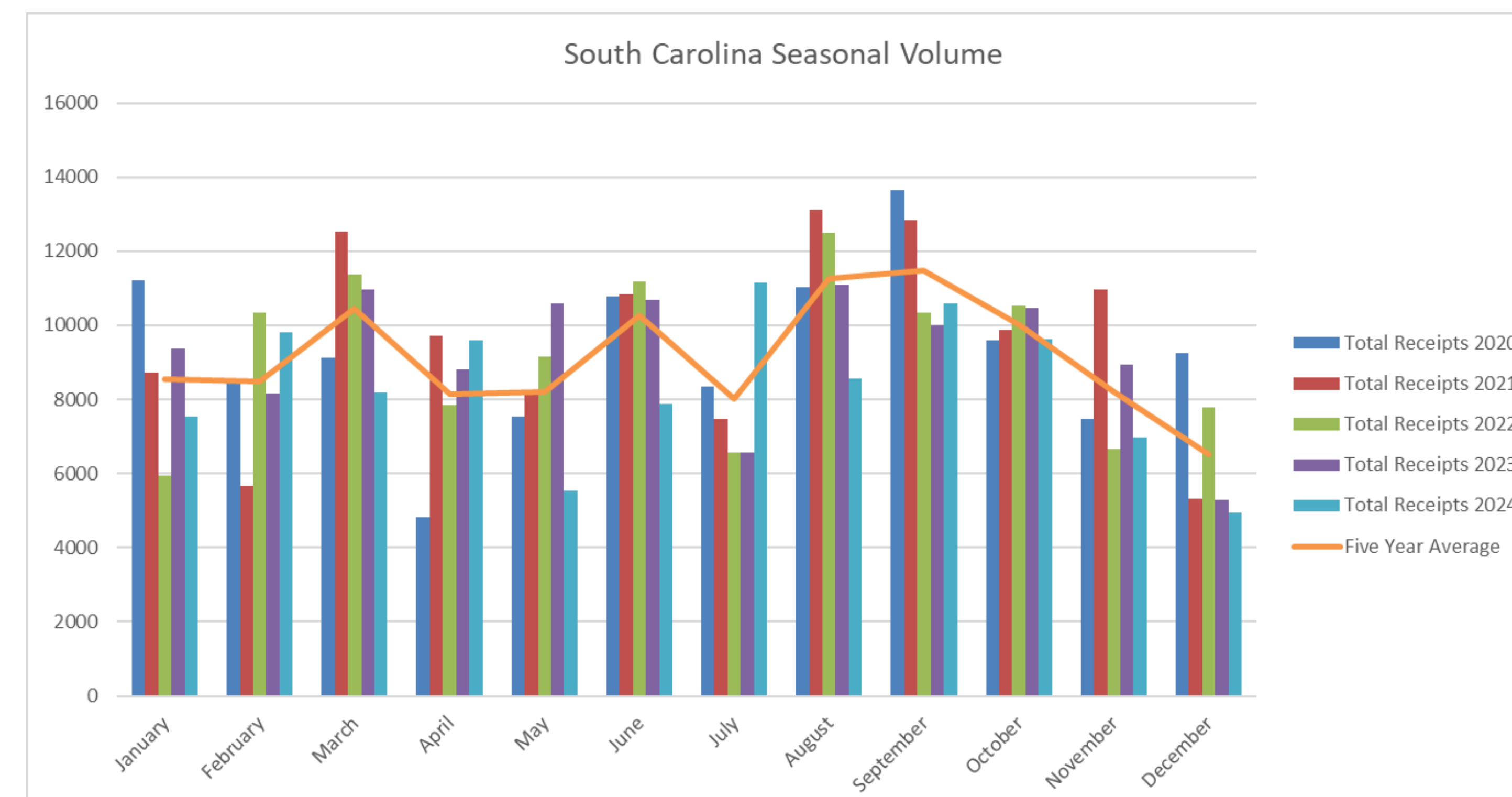


Fig. 3 Monthly South Carolina Cattle Volume for USDA-AMS Reporting Sale Barns from 2020-2024.



Results and Discussion:

The results of this study demonstrate that feeder bulls are consistently discounted relative to feeder steers in South Carolina markets. Discounts increase with weight and are most pronounced during peak fall marketing periods, reflecting higher expected costs associated with delayed castration, health risk, and management challenges. Importantly, feeder bull discounts persist and even widen during strong price environments, indicating that market participants continue to internalize risk regardless of overall price strength. These findings suggest that early castration and comprehensive herd health management remain economically important strategies for reducing price discounts.

- South Carolina feeder steer prices increased sharply from late 2022 through early 2024, driven by herd contraction and strong demand. (Fig. 1-A)
- Lighter feeder steers (400–499 lbs.) consistently received price premiums over heavier steers, reflecting demand for backgrounding flexibility most notably in the second half of each year of the study period. (Fig. 1-A)
- Feeder bull prices followed the same upward market trend as steers but remained discounted. (Fig. 1-A)
- The feeder bull–steer discount persisted across all years and weight classes, confirming sex class as a key price determinant. (Fig. 1-A)
- Discounts were larger and more stable for heavier feeder bulls (500–599 lbs.), reflecting higher expected costs of late castration.
- Bull discounts widened after 2021, suggesting increased buyer risk aversion in a high-priced cattle market. (Fig.1-B)
- Seasonal patterns show the largest bull discounts during late summer and fall marketing periods for heavier weight class. (Fig. 2-F)
- National cattle inventory declined steadily from 2020–2024, supporting historically high feeder cattle prices.
- South Carolina feeder supplies mirrored national contraction.
- Premiums for managed calves and discounts for intact males strengthened during periods of strong feeder demand. (Fig. 2-F)
- Given South Carolina volume seasonality feeder bull discounts spread decreasing in the first half of each year could be results of further limited feeder supply. (Fig. 3)
- Important to note the premium heavier feeder bulls during March of 2020, when covid shutdowns started. (Fig. 2-A)

Conclusions and Limitations:

This study observes a small portion of the feeder calf marketing complex. There are several factors and characteristics that determine price discovery and determination for the feeder cattle market. The current contraction cycle, weather events, and input cost can be explained in the price movements that have been observed. Beef demand, namely prolonged from COVID-19 influx of disposable income for consumers has benefited the beef industry. Therefore, supporting the cattle industry coupled with lower inventory. Further exploration into the historical fundamentals of feeder cattle marketing would provide a more concise answer depending on the current cattle cycle, projected beef demand, input costs and drought patterns. Also, an examination of producer management behavior in strong price environment.

The study does note that there is a discount to not managing male feeder cattle, castration, depending on weight and seasonality. The interesting points is the movement in the discount spread in the later half of the year post 2021.

Cattle producer education should emphasize the expected trends more than the off trends. Herd health management, including feeder calves should remain the focus to receive the greatest premium on average.

References:

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