

Four Buyers, Four Price Logics

Who bids at elite Holstein sales, what they pay for, and how to set your own limit before the sale ring sets it for you

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Four buyers are sitting in the same sale barn, looking at the same animal, each prepared to pay a completely different price. Anyone who wants to explain a hammer price therefore does not need to read the catalog, but to know who is bidding. This article describes the four buyer types who carry the Holstein auction market, expresses their willingness to pay as ratios rather than euro amounts, and sets out a procedure for setting your own limit before sale day. The typology comes from consulting practice. The orders of magnitude have been checked against the published results of German auctions and are labeled as dated examples, not as a market forecast.

Two markets, one ring

There is not one auction market for Holsteins but two, and they share the same ring. One trades in use value: animals that are supposed to give milk, in a barn whose numbers depend on the milk price. The other trades in options: animals that are supposed to become something – a line, a sales channel, a trait that is scarce. The two markets respond to different signals. That is why sale averages are so hard to read, and why two bidders can value the same catalog in completely different ways.

The use-value market follows the milk price, and it does so without any appreciable delay. When the milk check falls, the willingness to pay for a fresh heifer falls with it, because the same liter of milk has to pay for the purchase. That is not sentiment but arithmetic, and it can be traced through every price slump – most recently between summer 2025 and summer 2026, when the German producer milk price dropped by about a quarter and fresh heifers at the regular breeding cattle sales were valued correspondingly defensively.¹

The strategic market does not follow it. Anyone buying an animal to turn it into embryos, daughters or a market position does not calculate with the current year's milk price, but with the availability of comparable genetics over the next few years. The two sit side by side in the same sale, which is why an overall average can look stable while everything underneath it shifts. In January 2026, the overall average of an elite sale in Westphalia was €7,195, almost exactly the previous year's figure.² What had changed was the composition: The top-selling calf gained, the middle of the genomic offering lost about a fifth, and the fresh heifers did not move at all.³

The practical conclusion: An average price is worthless for your own decision as long as it is not clear which of the two markets it comes from. And the question of what an animal is worth has no answer without the question of who is supposed to buy it.

The ring trades two different goods. Only one of them is milk.

A yardstick that holds up over the years

Euro amounts go out of date quickly, because they move with the milk price, the feed year and the mood of the market. What lasts longer is the ratio between the segments. If you take the fresh heifer at a regular breeding cattle sale as the unit, the rest of the market can be measured against it – and this ladder stays readable even when all the rungs move up or down together.

Calculated: The published results of the 2026 season yield the following ladder. It is the author's own ratio calculation based on the auction figures documented in the footnotes, not a surveyed market value.⁴

0.5 × an embryo, average of an elite catalog.

1.0 × the fresh heifer at a regular breeding cattle sale – the unit against which everything else is measured.

1.7 × the same use, but bought at an elite sale. The premium is the price of pedigree, catalog and selection.

2 to 4 × the top-selling fresh animals of an elite sale. This is the limit of what conformation and cow family can achieve.

about 4 × the genomic youngster, average of the elite catalog.

10 to 13 × the top lots of an elite sale. This rung no longer shares a common yardstick with the ones below it.

The ladder says nothing about absolute levels. It says something about the gaps, and they are the real information: Between the commercial buyer and the program buyer lies not a premium but an order of magnitude. Anyone who sees both side by side in one catalog and values them with the same yardstick will inevitably get the math wrong – in one direction or the other.

Two caveats belong with it. The ladder is calculated from one season and is not a multi-year average. Whether the gaps remain constant over longer periods is not documented for the German auction market, because there is no public time series. And it shifts as soon as a trait loses its scarcity: What costs ten times as much today because it is rare will cost three times as much once it is widespread. The ladder is a yardstick, not a constant.

The commercial buyer

He is the largest block of buyers and the one who gets the least attention. His question is whether the animal fits economically into his barn, and it is answered the moment he knows when she will have paid for herself. He buys milk, peace of mind and a predictable return.

He is looking for healthy, trouble-free animals with solid production and no extremes in any direction; animals that fit into the herd without special treatment and get along with the existing milking system. He often prefers bred animals to fresh ones, because he can manage the calving on his own farm and does not buy the risk of the first weeks along with the animal.

He does not pay for brands, contracts, prefixes or promises about the future. An index that tells him nothing about the next two lactations does not move him. Sellers regularly read this as a lack of interest in breeding. It is the opposite: It is a very precise idea of which breeding actually shows up in his barn.

His limit lies where the premium over the regular breeding cattle market is no longer covered by something that shows up in the barn. This is the best-documented willingness to pay of all, because it becomes publicly visible several times a month – and it currently stands at about twice the unit when he buys at an elite sale.⁵ Above that mark he only buys with a second reason, and that reason is then usually a breeding one.

His typical mistake is the fresh young cow that looks good in the ring. She brings the full milk price, the full running costs and the loss of flexibility into the math immediately, and in a weak milk year she almost never earns back her price. Anyone buying in this category should value defensively – not out of caution, but because the numbers say so.

The breeder with an eye and ambition

He wants an animal that gives him pleasure and that people notice. His question is not whether the animal pays, but whether she belongs with him. This is not a frivolous category – it is just a different one, and it is regularly confused with the first, including by the buyers themselves.

He is looking for conformation, a well-known cow family, a prefix with a history, style and presence in the ring. He buys an animal he can show in two years' time or with whose name he can start a line of his own. The catalog text matters more to him than to anyone else – and not the index section, but the pedigree.

He does not pay for index numbers alone, abstract contract arrangements or anonymous animals. A good average animal with no story leaves him cold, even if all the numbers are right. Conversely, he only pays for a story if he can find it in the animal: For him, show credentials without type have just as little chance as type without a stage.

His limit lies at two to four times the unit, and it is surprisingly firm. This shows most reliably with the top fresh animals, which at elite sales hardly ever get beyond this mark – not even with

full presence in the ring and the best presentation.⁶ Emotion does carry the price, but it does not carry it indefinitely.

His typical mistake is the second bidder. An emotional bid needs an opponent to justify itself, and that is exactly what makes it expensive: Two buyers who want the same animal for the same reason drive a price that neither of them had calculated beforehand. Anyone bidding in this role needs an exit limit more urgently than anyone else.

Emotion brings the last twenty percent – and it only brings it when a second bidder goes along.

The program and AI stud buyer

He does not buy an animal but an option. His question is what this animal does for him strategically: for a line, for an embryo program, for a sales channel, for a position in the market. He is the buyer who explains the top prices, and he is the only one whose calculation reaches beyond the milk price.

He is looking for scarcity in a particular characteristic – polled status, red factor, a trait combination that is rare in the market. He is looking for value through the female line, because that produces embryos, daughters and a brand. And he is looking for a clear profile: not "good at everything" but "very good at this". That the highest prices of a season all go to young females, and most of them to animals that are polled, red carriers or both, is no accident but exactly this logic.⁶

He does not pay for average, for replaceable genetics or for lack of clarity. This is the hardest limit in the entire market: An animal that can be found again elsewhere in the foreseeable future is not worth a premium to him, however good she is. He does not buy quality; he buys unavailability.

Contracts play a role of their own for him, and that role is regularly misunderstood. Embryo purchase agreements and AI stud commitments act as a floor, not a driver: They protect the price on the downside and prevent crashes, but they do not trigger jumps. A high contract value without recognizable scarcity is read as a marketing figure and treated accordingly. This is an assessment from consulting practice – contract arrangements behind individual lots are not disclosed in sale reports and can be neither proven nor disproven from published figures.⁷

His typical mistake is the youngster whose genomics he takes for a result. The genomic breeding value of a young animal is an estimate with limited reliability that shifts with every additional piece of information.⁸ Anyone bidding on a youngster is buying a probability. In this segment that is not an objection but a calculation factor – but it belongs in the price, not in the hope.

The investor

The fourth type views an animal as an asset position. His question is whether a market position can be built from her, and his variables are rarity, international leverage, timing and an exit. He is the only one of the four for whom the breeding question takes second place to the financial question.

He is looking for extreme rarity, several serious prospective buyers within the same window of time, and demand that does not first have to develop. Sentimental arguments and barn logic do not reach him. His willingness to pay has no upper limit as long as the math works out through resale or marketing.

This is where the evidence is thinnest. Whether this type actually plays a distinct role at German elite sales cannot be read from the published reports. They name breeding operations as buyers of the top lots, both in Germany and in neighboring countries.⁶ Whether program logic or investment logic lies behind it, no report says. Anyone who draws this line does so from knowing the people involved – and should say so.

For your own sale day, it matters all the same. A bidder whose calculation does not end in the barn has no limit that can be worked out. Anyone bidding against him either wins too expensively or loses – and losing is the better of the two outcomes.

What all four reward

However differently the four calculate, six characteristics can be named across the segments that move the price upward. They add up, and not evenly but with increasing effect: An animal that meets three of them is not twice as expensive as one that meets one and a half. The list is derived from observed bidding behavior, not calculated from a price analysis.

Scarcity How many comparable animals can be obtained in the next twelve months? If the answer is "several", the price is capped, however good the animal is.

Clarity What does the animal stand for, in one sentence? Anyone who needs three sentences is selling a bundle of possibilities, not a profile.

Strategy Can the animal be plugged into an existing program, or would one have to be built first? The second case is more expensive than the bid makes it look.

Scalability How many offspring can be produced in what time, and who will buy them? Without a sales channel, scalability is a number on paper with nothing behind it.

Low risk What happens if the animal does not settle, does not flush or does not last? The price contains this answer, whether it is spoken or not.

Timing Is there a factual reason why the decision has to be made today? If not, it will be made too expensively.

Behind this is a common mechanism. An animal does not become expensive because she is better, but because she takes decisions off the buyer's hands. She answers a question he has to answer anyway – which line, what share of polled, which sales channel – and she answers it faster and more reliably than he could himself. That is the difference between the fourth and the tenth rung of the price ladder: not quality, but the number of questions that are still open afterward.

Buyers do not pay for quality. They pay for the number of questions an animal answers.

Before the bid: five checks

The practical consequence is unspectacular: The work happens before sale day. In the ring, a limit can no longer be set; there it can only be kept or exceeded. The following procedure is the version that has proven itself in consulting work; it applies regardless of which of the four roles you are bidding in.

FIVE CHECKS BEFORE SALE DAY

A Genetics and depth of use

- Is the genomic profile confirmed, or is this a speculative animal?
- Is the profile lopsided, for example high milk and weak fitness?
- Is the intended use clear – what exactly is supposed to happen with the animal?
- Has replaceability been checked? If she is replaceable, a price cap is mandatory.

B Contracts and return

- Are embryo and AI stud contracts realistic – not just high?
- Can the returns be achieved in time, not just on paper?
- Is the contract calculated as a floor rather than as upside?
- Does the contract fit the location and the organization it is concluded with?

C Classify the animal category cleanly

- Value calves, heifers and young cows separately; do not think in a single price range.
- For fresh animals, price in the current milk price and running costs.
- Name the loss of flexibility that comes with calving.

In a weak milk year, that means valuing fresh young cows defensively.

D Market environment

- Has the type of venue been recognized – more rational or more emotional?
- How large is the realistic circle of bidders for exactly this lot?
- Who is sitting in the sale barn? On that evening, this matters more than the catalog.

E Your own role

- Am I bidding as a commercial buyer, as a breeder or as a program buyer?
- Does the animal fit my farm – or the applause?
- Is there a hard exit limit, in writing, before the first bid?

Anyone who hesitates on any of these points does not bid. The hesitation is the information.

From consulting practice: A 180-cow dairy wanted to buy two fresh heifers at an elite sale and had set itself a limit of €5,000 per animal beforehand. Both target animals sold at €5,800 and €6,200; the farm stuck to its limit and went home without an animal. Six weeks later it bought four heifers of comparable pedigree at a regular breeding cattle sale for a total of €10,900, or €2,725 per animal. Measured against the intended use – milk in its own barn – that was the better decision; measured against the catalog, the more boring one. The farm could only make it because the limit was fixed before sale day and not set during the bidding.⁷

The checks boil down to a few questions that can be answered the night before, and no longer in the ring:

- Which of the four roles am I taking on for this lot?
- How many comparable animals can be obtained in the next twelve months?
- What exactly is supposed to happen with the animal over the next three years?
- What amount is lost if this plan does not work out?
- At what price do I drop out – and who else on the farm knows that number?

THE TRAFFIC LIGHT BEFORE THE BID

Red – no bidding here

- fresh young cows far above the value-in-use calculation, with no program behind them
- contract value above market value, but no scarcity
- "going to be expensive because everybody says so"
- interchangeable homozygous polled (PP) animals with no strategic role
- emotion beats logic – and you notice it yourself

Yellow – only with discipline

- rare trait present, but not really scarce in the market
- good show cow with no international pull
- good genomics, but many alternatives
- contract in place, return uncertain

Buy only if the market is not running hot that evening.

Green – buyable

- clear depth of use
- hard to replace or rare
- contract below market value
- the price stays calm
- no pressure to buy on your own side

The traffic light does not replace market knowledge. It prevents the three mistakes that come up most often in consulting: buying because everybody says it will be expensive; moving a limit while the bidding is on; and switching your own role in the middle of the sale.

Conclusion: documented, calculated, open

It is documented that the segments of a sale catalog move independently of one another. A stable overall average can conceal a marked shift underneath – in one documented case the middle of the genomic offering fell by about a fifth, while the fresh heifers stayed unchanged and the top-selling calf gained. It is also documented that the highest prices go to young females, and among them preferably to rare trait combinations.

Calculated, not measured, is the price ladder. It is a ratio calculation based on published hammer prices from one season. Sale reports are not market statistics: They describe the animals that stood in the ring on one evening and the circle of bidders who were present. The ladder works as a yardstick for your own assessment. It does not work as a forecast.

Two things remain open: Whether the gaps between the rungs are stable over several years cannot be determined without a public time series – and there is none for the German auction market. And whether program logic or investment logic lies behind the top prices does not emerge from any sale report. Both are questions that can be answered with market knowledge but not with data – and should be labeled accordingly.

For sale day itself, this changes little. The decision is not made in the ring, but at the kitchen table beforehand. And it is made better when it is settled in advance which of the four roles you are taking on that evening.

A bidder is not buying the animal in front of him, but the decisions he will no longer have to make afterward.

FOOTNOTES AND SOURCES

1 Agrarmarkt Informations-Gesellschaft mbH (AMI, German agricultural market information service), cited in top agrar of April 3, 2026, "Milchpreis 2025: Hoch eingestiegen, deutlich nachgelassen" (Milk price 2025: started high, fell markedly): 2025 annual average for conventional milk in Germany of 52.24 cents per kilogram at 4.0 percent fat and 3.4 percent protein including back payments, high of 53.51 cents in August 2025, low of 43.45 cents in December 2025 (secondary citation). For July 2026, agrarheute reports €39.40 per 100 kilograms in its milk market data. Comparing a monthly value with an annual average should be read as an order of magnitude, not as an exact measure.

2 Rinder Union West eG (2026): HighlightSALE 2026 – Ein ereignisreicher Abend zum Jahresbeginn (An eventful evening to start the year). Sale report for the auction of January 9, 2026, RUW-Arena Hamm. Overall average €7,195; genomic heifers and calves €9,880 average; fresh heifers €4,422 average; top-selling calf ZFZ Malawi Red P (Sainz P RDC daughter) €27,500; top-selling heifer Inside (Showtime daughter) €5,500. Reference population: catalog animals of one elite sale, not market statistics. The total number of lots is not stated in the report.

3 Rinder Union West eG (2025): HighlightSALE 2025 – Volles Haus in der RUW-Arena (Full house in the RUW-Arena). Sale report for the auction of January 10, 2025. Overall average €7,305; calves €12,410 average; fresh heifers €4,440 average; top-selling calf Easypeasy (Real Syn daughter) €24,500. The category label differs from that of the following year; whether the category "calves" is defined the same way as "genomic heifers and calves" is not clear from the reports. The direction of the change does not depend on this, but its exact size does.

4 Calculated: the author's own ratio calculation based on the hammer prices documented in footnotes 2, 3, 5 and 6. The unit is the mean of the two documented average prices for fresh heifers at the regular breeding cattle sales

(€2,504 and €2,580, rounded to €2,540). This gives: embryo average 0.5; fresh heifer at the elite sale 1.7; top-selling fresh animals 2.2 to 3.7; genomic youngster average 3.9; top lots 9.8 to 13.4. The calculation is based on one season and is not a multi-year average.

5 Rinder Union West eG (2026): Juni-Zuchtviehauktion in Hamm (June breeding cattle sale in Hamm), sale report for the auction of June 2, 2026, and Zuchtviehauktion in Hamm, sale report for the auction of September 1, 2026. June: just under 140 animals, including 123 fresh heifers at an average price of €2,504; top-selling heifer €4,200 (Mo Red PP daughter). September: 250 sale animals; heifers and cows €2,580 average, young heifers €838, breeding calves €463; top-selling heifer €3,500, top natural-service bull €3,600 for a polled DAY PP son. Reference population: regular breeding cattle sales, not elite sales.

6 MASTERRIND GmbH (2026): MASTERRIND EXCLUSIVE – Die Auktion in Verden 2026 (The 2026 sale in Verden). Sale report for the auction of February 25, 2026. 62 calves, bred and fresh animals at an average of €7,698; 14 embryos at an average of €1,350; clearance rate 100 percent. Top lots: WEH Sainz Barbara P RC €34,000 (buyer in the MASTERRIND breeding area), ZB Race Lana Del Rey Red PP €28,000 (buyer in the Netherlands), ZHW Major Tom Batida €25,000 (breeding operation from Lower Saxony) – all young females; top-selling fresh cow Engelkes Ella €9,500.

7 Practical basis: observations and analyses from the author's consulting practice. The amounts given are figures supplied by the farm and are not documented in any publicly accessible source. Farm, personal and animal names are anonymized.

8 Meuwissen, T. H. E.; Hayes, B. J.; Goddard, M. E. (2001): Prediction of total genetic value using genome-wide dense marker maps. *Genetics* 157(4), 1819–1829. Also VanRaden, P. M. (2008): Efficient methods to compute genomic predictions. *Journal of Dairy Science* 91(11), 4414–4423. DOI 10.3168/jds.2007-0980. And Hayes, B. J.; Bowman, P. J.; Chamberlain, A. J.; Goddard, M. E. (2009): Invited review: Genomic selection in dairy cattle: Progress and challenges. *Journal of Dairy Science* 92(2), 433–443. DOI 10.3168/jds.2008-1646. These papers establish the methodology and its reliability limits; they contain no statements on auction prices.

ABOUT THE AUTHOR

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All farm, personal and animal names in this article are anonymized. Exceptions are the auction results documented in the footnotes, which are taken from the publicly released reports of the breeding organizations.

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