LMIC
Livestock Marketing Information Center
lmic.info

IN THE CATTLE MARKETS

January 6, 2025

Click here to subscribe

UF | IFAS Extension
UNIVERSITY of FLORIDA

Hannah Baker, M.S.
State Specialized Extension Agent - Beef and Forage Economics
Range Cattle Research and Education Center
University of Florida / IFAS Extension

An Overall Look at 2024

First, to those reading, I hope you had a very Merry Christmas and that your 2025 is off to a great start! As we look back on 2024, there are many things to be thankful for and reflect on, with many more things to look forward to and plan for in 2025 concerning the cattle market. Tight supplies, record-level/breaking prices, carcass weights, and culling rates were some of the main talking points for 2024 as we discussed historical trends along with current circumstances such as H5N1, drought impacts, high input costs, elections, and the most recent detection of New World Screwworm, temporarily halting imports of cattle from Mexico. It is safe to say that 2024 was an eventful year for the cattle industry.

We will have a clearer picture of the state of the beef cattle industry when the January Inventory Report is released at the end of the month, but the 2024 calf crop is expected to have declined by at least one percent compared to the 2023 calf crop of 33.6 million head, and the overall beef cow herd is expected to be smaller. Prices for feeder cattle have already reached record levels due to tight supplies. With the anticipated confirmation that supplies will be even tighter going into 2025 along with no significant signs of heifer retention or rebuilding, it makes sense to be optimistic about the continuation of high prices in 2025 and possibly into 2026.

Prices for 500-600-pound steer calves in the Southern Plains ended the year at around $330/cwt, a 13 percent increase from 2023. Average annual prices for this same weight class in 2024 were roughly 18 percent higher than 2023. According to the data, annual average prices for fed cattle have also increased by about six percent. While location affects prices for cull cattle from state to state and even within a state, it can be concluded that national prices for cull cows were more than favorable in 2024. The national weighted average price for lean (85%) cull cows in 2024 was $122.51/cwt, a 32 percent increase from 2023 and a 92 percent increase from the 2018-2022 historical average.

Liquidation over the last couple of years has diminished the supply of beef cows available for slaughter. Demand for ground beef products has remained fairly steady, supporting high prices for lean trimmings and cull cows. Total beef cow slaughter has declined by 18 percent as of the latest Livestock Slaughter Report, but we are still culling about 10 percent of our beef cows, meaning we haven't really stabilized, much less starting rebuilding. However, despite having fewer cull cows, heavier carcass weights of fed cattle and more heifers entering feedlots than being retained helped to offset the overall decline in cattle slaughter. As of October, almost 40 percent of cattle on feed are heifers. In 2024, steer and heifer carcasses reached average dressed weights of 929 pounds and 846 pounds with peaks of 960 pounds and 869 pounds. As a result of heifer slaughter numbers and increased carcass weights, data indicates that beef production for 2024 has only declined by about 0.6 percent compared to the expected decline of about four percent at the beginning of 2024.

2024 will most certainly be a year to remember for the beef cattle industry. But it might also be safe to say that 2025 could be just as "exciting" with the likely continuation of high/higher prices and preparing to answer the question of when we will be able to start rebuilding and expanding.

The Markets

		Week of 1/3/25	Week of 12/27/24	Week of 1/5/24
5-Area Fed Steer	all grades, live weight, $/cwt	$198.93	$194.81	$174.01
	all grades, dressed weight, $/cwt	$314.96	$307.05	$274.78
Boxed Beef	Choice Value, 600-900 lb., $/cwt	$324.58	$319.58	$278.86
	Choice-Select Spread, $/cwt	$29.52	$30.70	$19.84
700-800 lb. Feeder Steer	Montana 3-market, $/cwt	--	--	$243.96
	Nebraska 7-market, $/cwt	$282.57	--	$244.31
	Oklahoma 8-market, $/cwt	--	--	--
500-600 lb. Feeder Steer	Montana 3-market, $/cwt	--	--	$296.60
	Nebraska 7-market, $/cwt	$350.53	--	$307.31
	Oklahoma 8-market, $/cwt	--	--	--
Feed Grains	Corn, Omaha, NE, $/bu (Thursday)	$4.53	--	$4.70
	DDGS, Nebraska, $/ton	$170.50	--	$223.83

Data Source: USDA-AMS Market News as compiled by LMIC

Contributing Universities

Disclaimer: The information provided in this newsletter is intended for educational purposes only. LMIC will not be held liable for any decisions made based on the information contained in this publication.