



IN THE CATTLE MARKETS



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TEXAS A&M AGRILIFE EXTENSION

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Fewer Cattle on Feed

Against a backdrop of record high fed cattle and calf prices in the cash and futures markets USDA released its January Cattle on Feed report on Friday January 24th. The report was anticipated for its potential evidence on a variety of questions including reduced placements reflecting fewer cattle, slower marketings, reduced placements due to Mexican cattle import restrictions, and the quarterly estimate of heifers on feed.

The report had something on all those questions. Starting with the headline numbers, feedlot marketings were up 1 percent. But, given that there was one more “slaughter day” or workday in the month daily marketings were slower than December of last year. That should help keep weights higher by keeping days on feed longer.

Placements were down 3.3 percent, a little less than pre-report expectations. Texas placed 22.7 percent fewer cattle while Nebraska and Kansas placements were 5.7 and 3.8 percent larger than a year ago, respectively. The decline in placements came from lighter weight feeders, fewer were placed under 800 pounds while more heavier feeders were placed. On the ends of the range, placements under 600 pounds in weight were down 9.2 percent but those over 1000 pounds were up 5.9 percent. December typically has the fewest placements of feeders over 700 pounds of any month. Placements of cattle under 600 pounds in Texas were down almost 27 percent compared to a year ago. The large decline in light weight placements might be a little evidence of an impact of restrictions on Mexican cattle imports.

The combination of marketings and placements led to almost 1 percent fewer cattle on feed than last year. Of those cattle on feed 38.7 percent of them were heifers. Heifers on feed were down 3.4 percent, or 160,000 head, from last January. The 4.575 million heifers on feed was a 25,000 head reduction from October. That decline in heifers on feed is not enough to indicate much heifer retention for herd rebuilding. But, it is a small move in that direction.

Overall, the report indicated a little more movement in the expected direction of fewer cattle on feed and fewer heifers on feed. We should expect the number of cattle in feedlots to contract even more later in 2025. Contracting numbers will have impacts on weights, live and beef prices, imports, and margins throughout the industry in later months.

The Markets

Even with some snow and real winter weather in Texas, local markets trended higher for steers and heifers. Around the country heavier feeders tended to increase in price while some lighter stocker/feeder cattle declined a bit, likely pressured by rising corn prices. The Choice cutout pulled back in value a bit for the week further cutting the Choice-Select spread. The spread typically declines this time of the year.

		Week of 1/24/25	Week of 1/17/25	Week of 1/26/24
5-Area Fed Steer	all grades, live weight, \$/cwt	\$209.19	\$203.67	\$175.44
	all grades, dressed weight, \$/cwt	\$329.72	\$321.98	\$276.87
Boxed Beef	Choice Value, 600-900 lb., \$/cwt	\$331.22	\$333.51	\$299.81
	Choice-Select Spread, \$/cwt	\$13.13	\$14.81	\$11.97
700-800 lb. Feeder Steer	Montana 3-market, \$/cwt	\$291.60	\$286.55	\$247.13
	Nebraska 7-market, \$/cwt	\$295.69	\$294.48	\$250.00
	Oklahoma 8-market, \$/cwt	\$278.02	\$277.07	\$232.26
500-600 lb. Feeder Steer	Montana 3-market, \$/cwt	\$357.25	\$356.83	\$316.88
	Nebraska 7-market, \$/cwt	\$361.93	\$365.02	\$316.13
	Oklahoma 8-market, \$/cwt	\$341.96	\$343.28	\$286.17
Feed Grains	Corn, Omaha, NE, \$/bu (Thursday)	\$4.73	\$4.59	\$4.65
	DDGS, Nebraska, \$/ton	\$170.40	\$170.80	\$218.33

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

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