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SOUTH DAKOTA STATE UNIVERSITY EXTENSION

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Cattle Inventory Report

The latest USDA-NASS *Cattle* report affirmed tighter U.S. cattle supplies. As of January 1, 2025, there were 86.7 million head of cattle in the U.S. Breakdowns by categories were generally lower by the same percentage as the overall total. Beef cows were lower, while milk cows were steady. All heifer types were lower as were all steer and bull categories. The only category that was outside of expectations was the calf crop, which was only lower by about 35,000 head from the total for 2023. Trade expectations could have been hindered without July 1 estimates. Higher calf prices may also have given producers an incentive to not cull open cows as quickly this past year, leading to a slightly better aggregate calf crop.

The breakdowns across states suggest some minor adjustments have occurred. Note that more states with lower inventory levels are being lumped together under other states. Among states with higher inventory levels, the total cattle inventory was up more in Texas and down more in Kansas and Nebraska. States around and including Colorado generally have lower inventory levels. For beef cows, the inventory was higher in Texas, Oklahoma, Missouri, and Montana. The inventory was lower in Nebraska and South Dakota. No state had a noticeable increase in beef replacement heifers. In Texas, the volume was sharply lower. There were fewer cattle grazing wheat pastures in the southern plains. Drought conditions are intensifying in and around Wyoming and along the southern U.S. border with Mexico. That will be an aspect to monitor but would not likely be reflected yet in inventory adjustments.

The total cattle on feed for all feedlot sizes, at 14.3 million head, is down slightly from a year ago. The percentage decrease is like the decline in large feedlots from the January *Cattle on Feed* report. Starting with that report, Minnesota is lumped in with other states. That leaves Iowa, Nebraska, and South Dakota as states with relatively large inventory levels in large and small feedlots. Backing out the totals by lot sizes, there were more cattle on feed in small lots in Iowa and South Dakota compared to the year before. In contrast, in Nebraska the total in small lots was 70,000 head lower than the year before.

The residual calculation of feeder cattle outside of feedlots at 14.3 million head, is down from the year earlier. Thus, potential feedlot placements remain tight even with the stronger than expected calf crop. The beef replacement total, being smaller again also, continues to point to further delay in any expansion of the U.S. breeding herd. The feed situation had been improving but now drought conditions are expanding into cattle inventory areas. The take-away story remains that expansion is not yet occurring, and tight supplies will remain supportive of prices.

The Markets

The cash market was higher for fed cattle but lower for boxed beef last week. The futures for live cattle and feeder cattle were mostly unchanged after a mid-week rally. Cash prices for feeders were sharply higher across locations and weight classes. Cash corn was lower for the week as were distillers. The January *Agricultral Prices* report included grazing fee rates for major cattle states. The variation across states is immense. Many states had higher rates across classes. Fees were lower in North Dakota, South Dakota, and Oklahoma.

		Week of 1/31/25	Week of 1/24/25	Week of 2/2/24
5-Area Fed Steer	all grades, live weight, $/cwt	$209.57	$209.19	$177.80
	all grades, dressed weight, $/cwt	$329.07	$329.72	$279.53
Boxed Beef	Choice Value, 600-900 lb., $/cwt	$329.65	$331.22	$295.61
	Choice-Select Spread, $/cwt	$10.42	$13.13	$10.26
700-800 lb. Feeder Steer	Montana 3-market, $/cwt	$296.70	$291.60	$245.26
	Nebraska 7-market, $/cwt	$300.15	$295.69	$256.08
	Oklahoma 8-market, $/cwt	$284.49	$278.02	$241.12
500-600 lb. Feeder Steer	Montana 3-market, $/cwt	$372.47	$357.25	$319.96
	Nebraska 7-market, $/cwt	$374.26	$361.93	$318.30
	Oklahoma 8-market, $/cwt	$351.39	$341.96	$303.13
Feed Grains	Corn, Omaha, NE, $/bu (Thursday)	$4.72	$4.73	$4.58
	DDGS, Nebraska, $/ton	$170.00	$170.40	$218.33

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

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