



IN THE CATTLE MARKETS



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**SOUTH DAKOTA STATE
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Matthew Diersen, Ph.D.

Risk & Business Management Specialist
Ness School of Management & Economics
South Dakota State University

Crop Reports

Expectations for higher profits from corn related to other crops drove higher expectations ahead of the USDA-NASS *Prospective Plantings* report released while the markets traded today. The expectation was for 94.4 million acres of corn in the U.S. with a wide range across analysts. The actual estimate was 95.3 million acres. Using a yield of 181 bushels per acre and a 92% harvest percentage would give production of 15.7 billion bushels. That would exceed the record production from 2023. The corn acreage was sharply higher from Nebraska east to Indiana. Acreage gains came at the expense of soybean and hay acres. Acreage of sorghum, which has gained acres regionally in recent years, was 6.6 million acres, slightly above the high end of trade estimates.

The old crop corn situation was clarified in the *Grain Stocks* report. The expectations ranged from 8.06 to 8.31 billion bushels. The actual level of 8.15 billion bushels is

neutral news for the nearby contracts. The level is down from 8.35 billion bushels a year ago. The distribution is different from last year as off-farm stocks were higher and on-farm stocks were noticeably lower from Iowa east to Ohio.

While sparsely estimated aside from LMIC projections, the intended harvested amount of all hay is estimated at 48.5 million acres. Compared to last year, hay acres are expected to be lower in Minnesota, Nebraska, South Dakota, and especially Texas. There is not a breakdown by type, alfalfa, and other hay, until June. Alfalfa seedings from the January *Crop Production* report were higher year over year so the acres being lower in the Midwest was a little surprising. Texas had rebuilt stocks. The ten-year average yield for U.S. hay is 2.4 tons per acre, which would result in a projected production level of 116.4 million tons or a reduction of 6.1 million tons from 2024. Heavy fall use meant that December 1 stocks were only 81.5 million tons. Typical winter use would imply May 1 stocks of only 17.5 million tons, resulting in an expected supply for 2025 that is sharply lower than last year.

On a different note, the higher futures prices have coincided with an increase in the volume of forward-contracted fed cattle. The USDA-AMS releases the National Weekly Direct Slaughter Cattle – Prior Week Slaughter and Contract Purchases report showing the volume and basis levels for fed cattle. The total new signings can fluctuate widely from week to week, especially around holidays, weather events, and market swings. The cumulative total reflects broader trends and is more useful to monitor underlying shifts in behavior. Both have been above average in recent weeks, with the cumulative reaching a level last observed in April of 2022. The cumulative by month is higher than last year's totals through August.

The Markets

The cash market was steady for fed cattle but higher for boxed beef last week. The futures for live cattle and feeder cattle were mostly unchanged. Cash prices for feeders were mixed across locations and weight classes. Cash corn was lower for the week as were distillers. Volatility has increased in cattle options in recent weeks but only to a slightly above-average level.

		Week of 3/28/25	Week of 3/21/25	Week of 3/29/24
5-Area Fed Steer	all grades, live weight, \$/cwt	\$212.14	\$212.76	\$188.23
	all grades, dressed weight, \$/cwt	\$338.32	\$335.15	\$299.49
Boxed Beef	Choice Value, 600-900 lb., \$/cwt	\$333.83	\$325.52	\$309.13
	Choice-Select Spread, \$/cwt	\$17.37	\$16.56	\$8.08
700-800 lb. Feeder Steer	Montana 3-market, \$/cwt	\$306.60	\$303.76	\$255.00
	Nebraska 7-market, \$/cwt	\$310.58	\$311.63	\$269.18
	Oklahoma 8-market, \$/cwt	\$297.47	\$294.82	\$255.35
500-600 lb. Feeder Steer	Montana 3-market, \$/cwt	\$377.40	\$383.49	\$334.00
	Nebraska 7-market, \$/cwt	\$388.46	\$392.71	\$325.85
	Oklahoma 8-market, \$/cwt	\$378.52	\$366.79	\$326.88
Feed Grains	Corn, Omaha, NE, \$/bu (Thursday)	\$4.38	\$4.54	\$4.50
	DDGS, Nebraska, \$/ton	\$158.75	\$161.50	\$178.40

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

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