



# IN THE CATTLE MARKETS



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## Oh, Let's Talk about the Prospective Plantings Report

The week of March 31<sup>st</sup> offered interesting information relevant to the long-term perspective associated with beef, cattle, and calf markets. Of course, the focus of last week finished with detailed information on tariffs and their timing. The asset market selloff was impressive – and not enjoyable in any capacity. Stocks, commodities, and even gold saw substantive selling. The importance of international trade to the world economy was discussed and probabilities of recession appeared to be much larger than the week prior. Live cattle and feeder cattle futures markets reacted to the events and the potential connection with a weaker domestic and world economy. This will take time to play out so...

Let's return to the unique information in the USDA Prospective Plantings report, the implications for future feedstuffs supplies, and that subsequent impact on cattle markets. The area of acreage intended for harvesting hay continued to shrink. The

prospectives for this year are estimated at 48,493 thousand acres. The largest reductions were associated with Texas, Nebraska, Kansas and Colorado. These are areas important for cow-calf production and are impacted by drought. This is roughly a 2% decline in harvested acres from 49,390 thousand harvest in 2024. And continues the reduction from 52,771 thousand acres in 2023. The reduced hay acres harvested are typical with much lower hay prices – some of the lowest in the last six years – and increased availability of pasture.

The acres committed to corn planting saw a substantial increase from 2024. Prospective plantings of corn in 2025 are estimated at 95,326 thousand acres and this is a 5% increase from the 90,594 thousand acres the prior year. Pre-report expectations averaged 94.4 million acres with a range of 92.5 to 96.6 million acres. The USDA Ag Outlook Forum forecasted 94.0 million acres. Simple work on the 25/26 corn balance sheet – with trend yields and 8 million acres to silage or abandoned – suggest production about 15.9 billion bushels. If usage is similar to the prior year or modestly greater then stocks-to-use should expand to 14.7% compared to the current 10.2%. Better than trend yields will push stocks-to-use to higher than 17%. The prospective acres are substantial enough that with good yields then the coming harvest price of corn has the potential to spend much time with a 3 as the first number. And that is without worrying about corn exports.

The insurable price of corn relative to soybeans has created a potentially substantial improvement in feed supplies. This will benefit all protein producers in the coming year. However, actual expansion in the cow herd will require better moisture and pasture in the southern plains than has been observed so far this spring. Both cow slaughter and heifer placement remain soft. But this is with only information through a portion of the first quarter. Events through April and May will be interesting to observe.

## **The Markets**

What does the technical picture say? With the tariff news, I am not sure there is much usefulness in technical analysis. Any loose or slack risk management was aggressively corrected last Friday and today. That said I am not sure about the potential for the market to correct higher after the rapid move down. If you bought LRP in March then you are probably rather happy. Don't confuse luck with skill. The underlying supplies and their tightness have not changed. Does beef demand change and with substance? Watch the weekly slaughter volumes and the boxed beef composite value. These series should be leading indicators for the coming weeks.

		Week of 4/4/25	Week of 3/28/25	Week of 4/5/24
<b>5-Area Fed Steer</b>	all grades, live weight, \$/cwt	\$211.14	\$212.14	\$185.73
	all grades, dressed weight, \$/cwt	\$336.47	\$338.32	\$296.87
<b>Boxed Beef</b>	Choice Value, 600-900 lb., \$/cwt	\$338.84	\$333.83	\$301.10
	Choice-Select Spread, \$/cwt	\$19.65	\$17.37	\$3.41
<b>700-800 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	\$302.16	\$306.60	\$260.35
	Nebraska 7-market, \$/cwt	\$318.82	\$310.58	\$270.40
	Oklahoma 8-market, \$/cwt	\$299.63	\$297.47	\$251.18
<b>500-600 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	\$385.90	\$377.40	\$342.60
	Nebraska 7-market, \$/cwt	\$399.06	\$388.46	\$330.40
	Oklahoma 8-market, \$/cwt	\$380.79	\$378.52	\$318.72
<b>Feed Grains</b>	Corn, Omaha, NE, \$/bu (Thursday)	\$4.48	\$4.38	\$4.46
	DDGS, Nebraska, \$/ton	\$156.80	\$158.75	\$179.40

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

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