



# IN THE CATTLE MARKETS



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## Beef Production in the First Quarter of 2025

Livestock slaughter in the first quarter totaled 7.38 million head, down 4 percent or 321 thousand head from the first quarter of 2024. Cow slaughter, beef cow slaughter, and heifer slaughter in March were higher than in February, but totals in the first quarter were lower year-over-year. As a percentage of total slaughter, cow slaughter was 17.5 percent, beef cow slaughter was 8 percent, and heifer slaughter was 32.5 percent in the first quarter. Beef cow slaughter through March has fallen by 20 percent year-over-year, indicating, at this rate, we may see the national culling rate for 2025 fall to levels we saw during the last expansion (about 9 percent).

Heifer slaughter is still too high, as of the April report, to indicate signs of retention. However, the latest quarterly Cattle on Feed report indicated that the percentage of heifers on feed has declined to 38 percent of all cattle on feed and is expected to keep declining in the coming months. On the other hand, while there has been some relief lately in certain areas of the

country, drought is still a concern as to whether producers will be able to start holding on to heifers. The reports over the next few months will be key to watch for signs of steady efforts in heifer retention.

In the first quarter of 2025, beef production is down slightly compared to the same period last year by 0.2 percent at 6.5 billion pounds. Beef production in March was up 2 percent or 43.6 million pounds from last year. From month to month, beef production may vary due to carcass weights and seasonal trends of placements and marketings, but the forecast for 2025 is that total beef production will be smaller than last year by about 1.3 percent. This slight decrease is expected with the current inventory levels paired with continued heavier carcass weights. Steer and heifer dressed weights averaged 950 pounds and 870 pounds in the first quarter of 2025, up 3.4 percent and 3.7 percent from last year, respectively. Assuming a dressing percentage of 62.5 percent, that would mean the average live weight of feeder cattle has been 1,520 pounds for steers and 1,392 pounds for heifers.

Demand for high-quality beef products has remained steady despite high prices, which has been a major driver of prices for feeder and fed cattle. The price of choice value boxed beef is 16 percent higher year-over-year at \$345/cwt. Additionally, it would be expected that the recent announcement of the second closure of the Southern border due to New World Screwworm will support prices as fewer feeder cattle will be entering the U.S. from Mexico. Prices in the Southern Plains for 700-800-pound and 500-600-pound feeder cattle in the first quarter averaged at \$285/cwt and \$354/cwt, respectively. The first quarter of 2025 indicates that 2025 will follow in 2024's footsteps of being a year unlike any other in the cattle industry.

## The Markets

|                                     |                                    | Week of<br>5/9/25 | Week of<br>5/2/25 | Week of<br>5/10/24 |
|-------------------------------------|------------------------------------|-------------------|-------------------|--------------------|
| <b>5-Area Fed Steer</b>             | all grades, live weight, \$/cwt    | \$224.80          | \$220.97          | \$185.94           |
|                                     | all grades, dressed weight, \$/cwt | \$356.06          | \$349.37          | \$295.28           |
| <b>Boxed Beef</b>                   | Choice Value, 600-900 lb., \$/cwt  | \$345.65          | \$344.48          | \$296.78           |
|                                     | Choice-Select Spread, \$/cwt       | \$13.77           | \$20.36           | \$8.72             |
| <b>700-800 lb.<br/>Feeder Steer</b> | Montana 3-market, \$/cwt           | \$317.44          | \$310.11          | \$253.00           |
|                                     | Nebraska 7-market, \$/cwt          | \$323.49          | \$320.29          | \$266.63           |
|                                     | Oklahoma 8-market, \$/cwt          | \$314.71          | \$310.22          | \$255.89           |
| <b>500-600 lb.<br/>Feeder Steer</b> | Montana 3-market, \$/cwt           | \$371.52          | \$402.93          | --                 |
|                                     | Nebraska 7-market, \$/cwt          | \$390.10          | \$397.49          | \$335.65           |
|                                     | Oklahoma 8-market, \$/cwt          | \$389.13          | \$387.52          | \$313.26           |
| <b>Feed Grains</b>                  | Corn, Omaha, NE, \$/bu (Thursday)  | \$4.43            | \$4.64            | \$4.63             |
|                                     | DDGS, Nebraska, \$/ton             | \$154.38          | \$155.56          | \$179.40           |

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

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