IN THE CATTLE MARKETS

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Mid-Year Cattle

The *Cattle* and *Cattle on Feed* reports were released after the markets closed last Friday. Last year, the *Cattle* report was cancelled for budgetary reasons and restored for 2025. The trade was expecting smaller inventory totals as of July 1, generally compared to two years ago. The expectations were also consistent with the contraction that has been occurring for several years. Missing the mid-year data from last year makes some comparisons more difficult or less relevant. Regardless, the overall totals across categories are still valuable for insights into the supply situation. The actual total of 94.2 million head was down 1 percent from last year and was slightly above trade expectations.

Beef cow inventory and calf crop estimates, while down, were not down as much as expected. The number of beef replacement heifers and the number of other heifers are both lower, affirming the continued contraction on the beef side, although not by much. The cattle on feed total across all feedlots, at 13.0 million head, suggests that small feedlots, those with less than 1,000 head capacity, have an inventory level almost unchanged from two years ago. While nothing suggests major contraction, there is also nothing suggesting any expansion.

The trade was also expecting a tighter on-feed total. The actual, at 11.2 million head, continued the typical seasonal trend of lower inventories. Placements in June surprised the trade, coming in at 1.44 million head and at only 92 percent of last year. This was below the low end of trade estimates. While feeder cattle auction volume for June was up from a year ago, the direct sales volume was down sharply. There was no evident pattern in placement weights as the number of head placed across different classes were consistently lower than a year ago. Marketings, at 1.71 million head, were in line with expectations and slaughter volumes for June.

Some regional differences were evident. Relatively high placements offset relatively high placements in Kansas, resulting in a higher on-feed total. Despite relatively low placements, the on-feed total in Nebraska remained relatively high. Texas had relatively low placements and marketings, resulting in a relatively low on-feed total. The continued disruption of feeder cattle imports from Mexico could be showing up there.

The quarterly heifer mix on feed, the ratio of heifers to all cattle on feed, was 38.1 percent as of July 1, 2025. The mix has been hovering around 39 percent for several years. The mix bottomed out at around 31 percent in mid-2015 during the last cattle expansion. The mix had been getting lower, especially last quarter when it reached 37.6 percent. An increase from April 1 to July 1 is consistent over time. The mix is the smallest it has been on July 1 since 2019, and would be the slightest indication that some expansion is being considered.

The Markets

The cash market for fed cattle was higher last week. The choice-select spread continues to trend higher. Futures prices were higher for both live cattle and feeder cattle last week. Feeder cattle cash prices were generally higher for the week. Lower corn futures prices helped push feeders higher.

		Week of 7/25/25	Week of 7/18/25	Week of 7/26/24
5-Area Fed Steer	all grades, live weight, $/cwt	$239.38	$237.78	$195.21
	all grades, dressed weight, $/cwt	$379.50	$379.36	$311.34
Boxed Beef	Choice Value, 600-900 lb., $/cwt	$369.37	$374.89	$313.11
	Choice-Select Spread, $/cwt	$22.32	$16.81	$16.81
700-800 lb. Feeder Steer	Montana 3-market, $/cwt	--	$343.00	--
	Nebraska 7-market, $/cwt	$370.50	$352.50	$295.13
	Oklahoma 8-market, $/cwt	$344.60	$335.78	$264.10
500-600 lb. Feeder Steer	Montana 3-market, $/cwt	--	--	--
	Nebraska 7-market, $/cwt	$451.31	$412.00	$339.20
	Oklahoma 8-market, $/cwt	$397.01	$394.84	$312.05
Feed Grains	Corn, Omaha, NE, $/bu (Thursday)	$4.06	$4.14	$4.31
	DDGS, Nebraska, $/ton	$140.00	$141.25	$148.33

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

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