



IN THE CATTLE MARKETS



August 4, 2025

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**COLORADO STATE UNIVERSITY
EXTENSION**

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Tight Fed Supplies Well into the Year-End

All cattle markets have continued the march into record-high prices. The weighted average cash fed cattle price in northern markets pushed past \$245/cwt, while prices in the southern plains were \$235. Live cattle futures contract prices remain at a discount to cash, with August peaking at \$233.75 to date.

Cash feeder cattle markets are very strong with prices for 7-8 weight cattle above \$345/cwt and 5-6 weight animals above \$410. Again, record high prices. These markets have been helped by the weakening feed grain markets and the much softer forage markets. Feeder cattle futures contract prices have closed in on \$345/cwt.

Is there any bearish news for the last half of the year? Very little. Returning to the USDA reports from the busy week two weeks ago, the mid-year Cattle report showed no clear sign of expansion. When expansion does come, then supplies will tighten further as

heifers are held. And the Cattle on Feed report showed persistence in tight fed supplies and an interesting issue. On feed inventories at the beginning of the month are as tight as they have been since 2017. However, the long-fed inventories are as big as they have been since the same year, except for 2020, of course. The two series of inventories calculated from the report that I follow are cattle on feed over 120 days and over 150 days. These two series are not in the report but can be calculated from placements, marketings, and other disappearance. There is no bearish interpretation of the facts that long-fed inventories are the biggest they have been, and overall inventories are as tight as they have been in seven years. Fed supplies will tighten later in the summer, into the fall, and through the end of the year.

There is clearly a change in the cattle feeding dynamics, though. Cattle are simply fed much longer than historically. There are very few Select grade cattle and substantial Prime grade cattle. Comparing on feed over 150 days across the years misses this change – and will require more sophisticated analysis to draw better conclusions. What does not require more sophisticated analysis is the trouble that is coming for the packing industry. There are noticeably short numbers coming for the beef packing industry – some this year, but continuing over the next several years with herd expansion. High-cost plants and low-volume plants – many of these built or renovated in the past five years – will have economic issues. There will be something or some series of events which will slow the rise of cattle prices, and perhaps it will be this structural change as opposed to less-expensive pork and poultry proteins.

The Markets

What does the technical picture say? There are several uptrends on each live cattle contract and each feeder cattle contract chart. There are long-term uptrends from late last year into March or April – depending on how you construct them. And a short-term from April into July. On some charts, there is a key reversal top on July 31, but there was also a much clearer one on May 14. As warned before, these reversals can be leading signals or very short-term. The one in May was short-term. I am backing up my technical analysis of cattle charts with an eye on the boxed beef composite – and the corn market for feeder cattle. The box has shown weakness for the last four weeks – but only after approaching \$4 per pound. Watch your trends and slaughter volumes, but the box market will lead any break.

		Week of 8/1/25	Week of 7/25/25	Week of 8/2/24
5-Area Fed Steer	all grades, live weight, \$/cwt	\$243.17	\$239.38	\$194.45
	all grades, dressed weight, \$/cwt	\$383.68	\$379.50	\$309.60
Boxed Beef	Choice Value, 600-900 lb., \$/cwt	\$363.69	\$369.37	\$314.12
	Choice-Select Spread, \$/cwt	\$21.27	\$22.32	\$14.59
700-800 lb. Feeder Steer	Montana 3-market, \$/cwt	--	--	\$272.76
	Nebraska 7-market, \$/cwt	\$366.03	\$370.50	\$280.51
	Oklahoma 8-market, \$/cwt	\$356.75	\$344.60	\$266.46
500-600 lb. Feeder Steer	Montana 3-market, \$/cwt	--	--	--
	Nebraska 7-market, \$/cwt	\$443.50	\$451.31	\$325.80
	Oklahoma 8-market, \$/cwt	\$414.88	\$397.01	\$310.04
Feed Grains	Corn, Omaha, NE, \$/bu (Thursday)	\$3.97	\$4.06	\$4.02
	DDGS, Nebraska, \$/ton	\$138.83	\$140.00	\$150.00

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

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