



# IN THE CATTLE MARKETS



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## Farm Income Forecast Shows Big Disparity Between Crop and Livestock Receipts

USDA's [September 2025 net farm income forecast](#), released Sept. 3, projects net farm income will rise sharply from 2024. While stronger performance in some sectors is a factor in the increase, much of it is tied to [continued support from government](#) disaster assistance.

Overall, USDA's September 2025 net farm income forecast projects a mixed outlook for farmers. Net farm income, a key measure of profitability, is forecast at \$179.8 billion in 2025. This is an increase of \$52 billion, or 40.7%, from \$127.8 billion in 2024, but about \$300 million lower than USDA's February forecast of \$180.1 billion.

Livestock and Crop Receipt Disparity

The forecast showed significant disparities between livestock and crop receipts. On one hand, total animal/animal product cash receipts are forecast to increase by \$30 billion, or 11.2%, from \$268.6 billion in 2024 to \$298.6 billion in 2025. On the other hand, cash receipts from crop sales are forecasted to decrease by \$6.1 billion, or 2.5%, from \$242.7 billion in 2024 to \$236.6 billion in 2025.

Digging into the livestock sector, higher prices will help push receipts up for all major animals/animal products. Cash receipts for cattle and calves, unsurprisingly, had the largest increase, rising by \$17.6 billion, or 16%, to \$129.7 billion. If realized, this would be a record high for cash receipts from animal products and receipts from cattle and calves.

Looking at crops, USDA lowered its crop cash receipts projection by \$17 billion from the \$253.6 billion forecast in February 2025. If this forecast is realized, this would be the lowest cash receipts for crop sales since 2007.

### Increasing Farm Debt and Interest Expenses

This will be the third consecutive year of losses for many U.S. farmers, which has led to another alarming statistic in USDA's forecast, a rise in farm debt.

Total farm sector debt is forecast to increase by \$28.35 billion, or 5% to \$591.82 billion in 2025. This is an increase of nearly 20% since 2022 when the Fed began raising interest rates to fight inflation. Interest paid to service this debt is up about \$1.6 billion, or 5%, in 2025. More alarmingly, interest expenses have gone up 16% since 2022.

While most of the debt/interest pain is being felt on the crop side of the ag economy, cattle producers are feeling it too. Record cash cattle prices are great for profitability for established cattlemen, but these prices are a major obstacle for anyone looking to get into the cattle business or grow by buying cattle. With tight cattle supplies and strong demand, cash markets are steady and futures are volatile. Volatility on top of the cost of debt is a big obstacle for anyone starting out or trying to expand in the cattle business.

## The Markets

### *Futures*

Markets were quiet to start things off last Monday, Sept. 8. Turn around Tuesday came in full force with contracts for feeder cattle moving limit down and contracts for fed cattle falling \$5-6. Tuesday's drop can be attributed to a market correction and more fed cattle available in the Northern states. Some recovery occurred through the rest of the week until futures fell again on Friday.

### *Cash*

Cash prices held their own through most of the week. However, average prices for fed cattle fell about \$2/cwt to \$240/cwt nationally. Choice beef dropped significantly this

week, falling \$10.72/cwt to \$400.04/cwt. The decrease in cash paid for cattle, along with the decrease in the cutout, has kept packer margins profitable.

		Week of 9/12/25	Week of 9/5/25	Week of 9/13/24
<b>5-Area Fed Steer</b>	all grades, live weight, \$/cwt	\$239.33	\$242.55	\$182.11
	all grades, dressed weight, \$/cwt	\$376.15	\$383.15	\$290.61
<b>Boxed Beef</b>	Choice Value, 600-900 lb., \$/cwt	\$404.77	\$413.60	\$307.24
	Choice-Select Spread, \$/cwt	\$21.89	\$26.89	\$11.30
<b>700-800 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	\$388.41	\$399.40	\$252.46
	Nebraska 7-market, \$/cwt	\$386.88	\$393.64	\$265.88
	Oklahoma 8-market, \$/cwt	\$377.67	\$379.10	\$246.26
<b>500-600 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	--	--	\$275.00
	Nebraska 7-market, \$/cwt	\$438.30	\$461.53	\$294.72
	Oklahoma 8-market, \$/cwt	\$443.17	\$452.74	\$277.70
<b>Feed Grains</b>	Corn, Omaha, NE, \$/bu (Thursday)	\$3.91	\$3.91	\$3.94
	DDGS, Nebraska, \$/ton	\$140.14	\$139.50	\$149.86

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

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