



IN THE CATTLE MARKETS



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**SOUTH DAKOTA STATE
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Mixed Pricing Signals

Cattle prices have been quite volatile for several months. Several times this fall, there were anecdotes about large margin calls. From a risk management perspective, that generally meant that producers were hedged, and then prices increased. It also brought a few hints at missing out on higher prices. Here are a few aspects that warrant attention going forward.

The cash market has not been quite as volatile day-to-day as the futures market. A lot of calves have traded at very high prices and thus present a lot of risk to the buyers. The feeder cattle futures board has seen gaps and limit moves during this stretch. Remember that the feeder contracts are cash-settled. The feeder cattle index peaked

on October 16, 2025, at 376.61, a couple of weeks ahead of the October contract expiring. The new nearby is the January 2026 contract, which will not expire until the end of January. Last week, that contract briefly traded below \$300.00 per cwt. For those trying to hedge feeders in the short run, convergence will need to be considered.

Replacements were not immune to high prices. Heifers generally trade at a sharp discount to steers of the same weight in feeder cattle markets, reflecting slower rates of gain and lighter eventual finishing weights. Replacement heifers, however, can break that pattern and be priced at a premium to steers, especially late in a cattle cycle. From late October through much of November of 2025, heifers described as replacements traded at a slight premium to steers across AMS-reported sale locations in South Dakota. The comparison was made when looking at Medium and Large 1 animals weighing 500-600 pounds. Such heifers will not have a marketable calf until 2027, thus reflecting substantial risk as an investment and widespread optimism about continued profitable calf prices. Other heifers traded at a \$50.00 per cwt discount to steers during the same span.

Volatility in the market was slow to show up in options, where the implied volatility remained low or quiet until the sharp declines in live and feeder cattle futures prices. The CME Group's CVOL, which measures the implied volatility of nearby contracts, had a small jump in early September, and then declined until moving sharply higher in November. Now there are lower prices and higher volatility levels, making good floor prices much more difficult to achieve. Livestock Risk Protection (LRP) would be seeing similar effects.

While the federal shutdown has ended, the effects continue to linger. A comparison of beef to other retail prices will have to wait until the U.S. Bureau of Labor Statistics provides an update in late December. NASS won't be releasing cold storage figures until late December. Some agricultural prices are delayed until December 15. There is not a timeline for the USDA baseline estimates nor many of the valuable Economic Research Service publications. Finally, the Commitment of Traders is not slated to be current until late January of 2026.

The Markets

The cash market was sharply lower for fed cattle and for boxed beef last week. The futures for live cattle and feeder cattle were steady for the week. Cash prices for feeders were sharply lower except for some steady to higher prices in Nebraska. Many cash markets were quiet for the week with the Thanksgiving holiday. Cash corn was slightly higher for the week.

		Week of 11/28/25	Week of 11/21/25	Week of 11/29/24
5-Area Fed Steer	all grades, live weight, \$/cwt	\$211.53	\$217.41	\$189.97
	all grades, dressed weight, \$/cwt	\$329.38	\$343.36	\$296.64
Boxed Beef	Choice Value, 600-900 lb., \$/cwt	\$368.92	\$371.27	\$310.77
	Choice-Select Spread, \$/cwt	\$14.42	\$16.08	\$36.31
700-800 lb. Feeder Steer	Montana 3-market, \$/cwt	\$327.00	\$352.80	--
	Nebraska 7-market, \$/cwt	\$362.09	\$364.91	\$293.78
	Oklahoma 8-market, \$/cwt	\$318.49	\$351.33	\$257.50
500-600 lb. Feeder Steer	Montana 3-market, \$/cwt	\$362.50	\$444.18	\$338.84
	Nebraska 7-market, \$/cwt	\$455.29	\$432.26	\$347.75
	Oklahoma 8-market, \$/cwt	\$387.19	\$421.40	\$319.01
Feed Grains	Corn, Omaha, NE, \$/bu (Thursday)	\$4.16	\$4.12	\$4.20
	DDGS, Nebraska, \$/ton	--	\$151.57	--

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

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