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Beef Production Now & Later

The last two “In the Cattle Markets” articles have discussed the dynamics of beef trade and beef demand as we head into 2026. To continue the theme, this article will discuss beef production so far in 2026 and the current forecast for the year.

For the first month of the year, beef production totaled 2.11 million pounds, down 10.6% from January 2025 and down 7.7% from December. This is a result of tightening supplies, but also could reflect the impact of the winter storms experienced early this year. This is the smallest January supply of beef since the same low of 2.11 million pounds in January 2017. January 2026 contained one less weekday of processing (22 weekdays compared to 23), but an additional Saturday compared to January 2025 (5 Saturdays compared to 4). The next livestock slaughter report will be released on March 19th, providing February production.

Cattle slaughter totaled 2.38 million head for January, down from 2.72 million head last January. Total cow slaughter was down 42,600 head (9%) so far for the year and accounted for about 18% of total slaughter. Dairy cow slaughter accounted for 10.6% of all slaughter compared to 9.3% last January, while beef cow slaughter decreased to 7.6% of all slaughter compared to 8.2% last January. Total beef cow slaughter so far is down by 19% year-over-year, slightly above the 18% decline seen in 2025. We could see increases in beef cow slaughter as the year progresses. Older cows that were held onto last year could be culled and replaced with younger females this year, since there was a slight increase in the number of available replacement heifers in the January inventory report.

Federally inspected steer and heifer slaughter were down 14.4% and 11.7% year over year, respectively. Heifer slaughter, however, was 38.1% of all slaughter, continuing to signal little effort towards heifer retention. This percentage dropped to the mid and lower twenties during the last expansion period.

The number of steers and heifers being processed has decreased, but weights have done the opposite. Average dressed weights for steers and heifers in January were up 35 pounds and 24 pounds compared to January 2025, respectively. The average live weight increased by 25 pounds to 1,464 pounds.

Continued increases in carcass weights and a potential increase in cow slaughter are expected to keep beef production in 2026 relatively close to 2025 production. But tightening supplies that will tighten even further when heifer retention begins will result in lower beef production year over year. The current projection (March) is that beef production in 2026 will decline by 0.7% or almost 1% to 25.8 billion pounds. As mentioned last week, consumer demand is strong. Although numerous recent events have impacted cattle market prices over the last several weeks, cattle prices are expected to remain elevated relative to historical prices due to the need for cattle to continue meeting beef demand from consumers.

In the Markets

		Week of 3/13/26	Week of 3/6/26	Week of 3/14/25
5-Area Fed Steer	all grades, live weight, $/cwt	$234.83	$239.94	$205.30
	all grades, dressed weight, $/cwt	$372.04	$379.82	$324.97
Boxed Beef	Choice Value, 600-900 lb., $/cwt	$395.53	$386.41	$319.57
	Choice-Select Spread, $/cwt	$7.13	$7.07	$12.54
700-800 lb. Feeder Steer	Montana 3-market, $/cwt	$372.50	$403.93	$299.16
	Nebraska 7-market, $/cwt	$393.50	$391.73	$304.71
	Oklahoma 8-market, $/cwt	$373.14	$382.15	$293.74
500-600 lb. Feeder Steer	Montana 3-market, $/cwt	--	$500.18	$361.44
	Nebraska 7-market, $/cwt	$513.91	$503.34	$380.22
	Oklahoma 8-market, $/cwt	$483.91	$489.06	$368.70
Feed Grains	Corn, Omaha, NE, $/bu (Thursday)	$4.43	$4.33	$4.49
	DDGS, Nebraska, $/ton	$169.57	$168.14	$161.25

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

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