



IN THE CATTLE MARKETS



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**SOUTH DAKOTA STATE
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Calf Basis Levels

At the end of the first quarter of 2026, nearby futures prices for live cattle were trading from \$240 to \$245 per cwt, up over \$30 per cwt from the year earlier. Nearby feeder cattle futures prices were trading from \$365 to \$370 per cwt, up around \$70 per cwt from the year earlier. The cash prices for lighter-weight feeder cattle (or heavier calves) have followed the shift higher. The weighted-average price for steer calves weighing 5-600 pounds in South Dakota has been around \$500 per cwt for the first quarter. The large price increases have resulted in ever-widening basis levels for those looking to hedge or price calves or lighter feeder cattle.

Basis, generally the difference between a cash price and a nearby futures price, can have a seasonal pattern in live cattle and feeder cattle. Basis levels reflect

transportation costs and quality differences for cattle with weights consistent with the underlying contracts. Using historic basis levels by month and location works well for live cattle and feeder cattle.

For calves, the situation changes. Basis is typically positive for calves when compared to feeder cattle futures prices. Lighter-weight feeder cattle have a higher per cwt price than heavier feeder cattle even though the per head values are lower. From 2021 to 2025, the basis on steer calves in South Dakota averaged over \$60 per cwt. In March 2026, the basis was \$140 per cwt. Thus, for planning purposes or hedging calculations, price levels matter more than historic basis levels. Current or recent basis levels for calves will be much better proxies than year-ago or multi-year averages.

What explains the basis level? Feeder cattle futures reflect the value of steers weighing 700-899 pounds. If August 2026 feeder cattle futures are trading at \$365 per cwt, the price reflects a value of \$2,920.00 per head. Adding a basis of \$140 per cwt to the futures price implies a 550-pound steer would be worth \$2,777.50 per head. To make that work, the cost of gain has to be less than \$142.50. Hay prices and grazing fee rates are similar to last year. Cash corn prices have been sharply lower compared to a year earlier, both nationally and in South Dakota. A basis level could also be deduced by taking the feeder-weight value and subtracting off an expected feed cost or going rate of gain, then finding a calf-weight value. Regardless, the biggest driver behind the higher basis levels observed recently and expected for a while is the higher feeder cattle futures prices.

The Markets

The cash market was sharply higher for fed cattle and for boxed beef last week. The futures for live cattle and feeder cattle were also higher for the week. Cash prices for feeders were mixed across weights and locations. Cash corn was sharply lower for the week.

		Week of 4/3/26	Week of 3/27/26	Week of 4/4/25
5-Area Fed Steer	all grades, live weight, \$/cwt	\$244.96	\$235.69	\$211.14
	all grades, dressed weight, \$/cwt	\$384.59	\$371.70	\$336.47
Boxed Beef	Choice Value, 600-900 lb., \$/cwt	\$392.27	\$394.71	\$338.84
	Choice-Select Spread, \$/cwt	\$2.19	\$1.64	\$19.65
700-800 lb. Feeder Steer	Montana 3-market, \$/cwt	\$400.89	--	\$302.16
	Nebraska 7-market, \$/cwt	\$403.38	\$393.55	\$318.82
	Oklahoma 8-market, \$/cwt	\$387.57	\$381.12	\$299.63
500-600 lb. Feeder Steer	Montana 3-market, \$/cwt	\$517.51	\$525.00	\$385.90
	Nebraska 7-market, \$/cwt	\$498.95	\$505.64	\$399.06
	Oklahoma 8-market, \$/cwt	\$498.18	\$500.36	\$380.79
Feed Grains	Corn, Omaha, NE, \$/bu (Thursday)	\$4.33	\$4.49	\$4.48
	DDGS, Nebraska, \$/ton	\$179.29	\$177.14	\$156.80

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

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