

IN THE CATTLE MARKETS



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TEXAS A&M AGRI LIFE EXTENSION

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Stagnant Cutout Values

While cattle prices have declined sharply since July, the Choice boxed beef cutout value has seen little movement. The cutout value represents the value of the seven primal beef cuts in the proper proportion of the carcass. Cutout values are often used as a good representation of the wholesale value of the beef carcass.

The Choice cutout declined from \$397 per cwt the week before the July 4th holiday to \$363 per cwt by the first week of August. Declining cutout values in the weeks following Independence Day are the normal seasonal price pattern. Cutout values tend to increase leading up to Labor Day, and they did this year, climbing back to a weekly average of \$388 by late August, although the expected Labor Day price rally was

muted. The Choice cutout has since remained in a range between \$374 and \$379. While the cutout remains at historically high levels, it has been below last year's Labor Day surge. So, comparing to last year's price levels is a bit misleading in that last September's \$413 per cwt price peak was a record high, except for two weeks in May 2020 when COVID shut packing plants.

Among the primal cut values that make up the cutout, the primal rib is the only one climbing in value and hitting new highs for the year. The Choice Primal Rib value hit \$667 for the week of October 2nd. The rib normally increases seasonally up to the Thanksgiving and Christmas holidays. Wholesale ribeyes appear to be starting their pre-holiday run, with wholesale prices increasing almost \$200 per cwt in the last 4 weeks to \$1665 per cwt.

Most of the rest of the primal cuts, round, brisket, plate, and flank, have been declining in value as they often do seasonally. The decline in the primal flank value has been especially striking, down 27 percent compared to a year ago and 36 percent lower than its peak in June. Flank values normally decline into fall, but this year's decline has been much larger than normal. Primal chucks have averaged about \$330 per cwt since early 2026.

Where to From Here?

The Choice beef cutout tends to decline slightly in the fall. Beef production normally increases, and changing consumer purchases result in lower prices. This fall, continued tight beef supplies should keep the overall cutout value historically high. Given the normal seasonal pattern, it is difficult to see sharply higher cutout values boosting cattle prices.

The Markets

A large portion of Texas has received much-needed rain in recent days. The rain has brought some higher calf prices in local auctions. It has also brought a little more optimism for feeder winter stocker grazing. The price correction in cattle markets over the last 3 months has also boosted margin prospects. The feeder market will continue to be influenced by the corn market in coming weeks as the size of the crop materializes. Just as feeders and calves took a beating as corn prices increased, they should get a boost from falling prices. The record-high diesel price is also, likely, taking a toll on calf prices around the country further from feedlots.

		Week of 10/9/26	Week of 10/2/26	Week of 10/10/25
5-Area Fed Steer	all grades, live weight, \$/cwt	\$220.14	\$219.80	\$234.07
	all grades, dressed weight, \$/cwt	\$345.66	\$346.26	\$362.52
Boxed Beef	Choice Value, 600-900 lb., \$/cwt	\$376.20	\$379.38	\$365.25
	Choice-Select Spread, \$/cwt	\$21.17	\$21.25	\$18.69
700-800 lb. Feeder Steer	Montana 3-market, \$/cwt	\$370.00	--	\$400.00
	Nebraska 7-market, \$/cwt	\$355.73	\$373.21	\$396.45
	Oklahoma 8-market, \$/cwt	\$348.55	\$350.19	\$378.96
500-600 lb. Feeder Steer	Montana 3-market, \$/cwt	--	--	--
	Nebraska 7-market, \$/cwt	\$464.07	\$462.81	\$482.68
	Oklahoma 8-market, \$/cwt	\$401.43	\$401.92	\$431.55
Feed Grains	Corn, Omaha, NE, \$/bu (Thursday)	\$4.74	\$4.80	\$3.93
	DDGS, Nebraska, \$/ton	\$207.50	\$207.50	\$148.14

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

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