



IN THE CATTLE MARKETS



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Fewer Areas in the 5-Area Price Series

A common benchmark for fed cattle prices is the 5-Area average. This is the series highlighted for live and dressed steers for In The Cattle Markets. The series covers the negotiated cash transactions made directly between feedlots and large packers. The large packers must report these trades under mandatory price reporting laws. However, this series does not include sales made using other alternative marketing arrangements, e.g., formula sales. The series also does not get shared if there are not enough parties to avoid confidentiality rules.

Confidentiality is why prices have not been broken out for Colorado, one of the 5 areas, for several years. During the past year, confidentiality has also meant that negotiated direct sales have not been reported daily or weekly for two other areas. The combination of Texas, Oklahoma, and New Mexico is one affected area. Kansas is the

other area. That leaves Nebraska and the combination of Iowa and Minnesota as areas that currently dominate the 5-Area average.

During the first three quarters of 2026, the average negotiated cash volume from Nebraska was 22,600 head per week for all live and dressed purchases. That was followed by Iowa and Minnesota, with 21,000 head per week traded. Kansas averaged 7,000 head during weeks they had reportable prices. Finally, Texas, Oklahoma, and New Mexico averaged 3,000 head per week. Thus, in the fourth quarter, less than 20 percent of normal volume is being reported or contributing to the 5-Area average. The 5-Area is mainly reflecting the quality of cattle and seasonality pertinent to Interstate 29 from Sioux City, IA to Omaha, NE.

The correlation of observed negotiated cash prices has been high across the reported regions so far in 2026. Using the live price for steers grading “Over 80% Choice”, the correlations between the weekly 5-Area price and both Nebraska and Iowa/Minnesota prices were each 0.999. The correlation was slightly lower between the 5-Area and Kansas prices at 0.994. Even with fewer observations, the correlation between the 5-Area and Texas/Oklahoma/New Mexico prices was still 0.991.

In the short run and with the current market conditions, the lack of area-level reports does not seem to make much difference from a price standpoint. The “Over 80% Choice” weekly price is the settlement price for Livestock Risk Protection (LRP) for Fed Cattle. The further cattle are traded relative to their default location, the greater the potential basis risk for LRP. The volume of the 5-Area series would be affected and should not be compared to other periods to infer or substitute for any trend in marketings or slaughter activity.

The Markets

The cash market was higher for fed cattle and lower for boxed beef last week. The futures prices for live cattle and feeder cattle have been steadily increasing for the past month. Cash prices for feeders were higher across weights and locations for the week. Cash corn was lower for the week. Lower corn futures prices have given feeder cattle a boost also. In South Dakota, the price for 500-600 lb. steers has been in the range of \$455 to \$465 per cwt for the past month. A year ago, it reached an all-time fall high of \$507.92 per cwt.

		Week of 10/16/26	Week of 10/9/26	Week of 10/17/25
5-Area Fed Steer	all grades, live weight, \$/cwt	\$224.19	\$220.14	\$239.82
	all grades, dressed weight, \$/cwt	\$352.52	\$345.66	\$372.43
Boxed Beef	Choice Value, 600-900 lb., \$/cwt	\$374.70	\$376.20	\$365.54
	Choice-Select Spread, \$/cwt	\$20.31	\$21.17	\$15.81
700-800 lb. Feeder Steer	Montana 3-market, \$/cwt	--	\$370.00	\$382.75
	Nebraska 7-market, \$/cwt	\$374.63	\$355.73	\$401.21
	Oklahoma 8-market, \$/cwt	\$353.27	\$348.55	\$393.80
500-600 lb. Feeder Steer	Montana 3-market, \$/cwt	\$436.00	--	\$487.60
	Nebraska 7-market, \$/cwt	\$456.21	\$464.07	\$496.64
	Oklahoma 8-market, \$/cwt	\$402.29	\$401.43	\$461.33
Feed Grains	Corn, Omaha, NE, \$/bu (Thursday)	\$4.52	\$4.74	\$3.98
	DDGS, Nebraska, \$/ton	\$205.00	\$207.50	\$149.43

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

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Contributing Organizations



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