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Beef Demand Growth & Fed Cattle Marketing Evolution: Nothing Happens in a Vacuum

As 2026 nears conclusion, it is worth noting the beef-cattle sector did not get where it is today by coincidence. A myriad of inner-industry adjustments, and corresponding market signals developing over decades, are foundational to the industry's situation. While understandably tempting, much is lost in simplified statements of the industry's evolution.

Consumer beef demand is core to producer viability and drives the ultimate size of the U.S. industry. The retail All-Fresh beef demand index set a record in 2025, and work led by Dr. Brian Coffey attributes more of the 2024-25 retail beef price increase to consumer demand growth than supply changes.[1] Further, other research with colleagues finds a 1% increase in retail beef demand lifts fed cattle prices about 1.5%

[1] https://www.agmanager.info/livestock-meat/meat-demand/meat-demand-research-studies/microeconomic-assessment-us-retail-beef

and feeder cattle prices about 2.5%.[2] Stated simply, the number of beef cows matters, but consumer demand for beef has underpinned stronger cattle prices.

This improvement in consumer demand did not happen by accident, freely, or easily. Over recent decades, the industry moved away from pricing cattle "on the average" and toward grid and other value-based marketing that differentially pays premiums for carcasses based on what consumers value. Allowing prices to serve as signals rewarded genetics, management, and feeding decisions that improved the product many enjoy today. Between 2010 and 2025, the share of fed cattle grading Choice or Prime rose from 65% to 84%, and Prime roughly tripled to 12%. Better and more consistent eating experiences encourage repeat consumer purchases and support higher willingness-to-pay. Market signals led to industry change, a better product, stronger demand, and better prices. Said adjustments continue today as I type – in fact, those industry adjustments are further refined and motivated by the elevated price environment.

Alas, this cattle quality – beef demand evolution presents other adjustments, as nothing happens in an isolated vacuum. As more fed cattle moved to formula and other alternative arrangements, negotiated cash volume declined as a percentage of overall marketings. This development has been magnified recently by lower calf crops, and subsequent declines in feedlot marketings, as overall animal volumes have reduced. Over time, thinning negotiated cash trade can run against USDA confidentiality guidelines intended to protect individual firms' data.[3] Most recently Kansas negotiated reports have been withheld by USDA every week since mid-August, Texas-Oklahoma-New Mexico since early July, and Colorado since late 2022.

This past week USDA-AMS began publishing a new regional report (not to be confused with the long-standing, 5-Area report that also includes NE and IA/MN) aggregating negotiated fed cattle trade across Kansas, Colorado, Texas-New Mexico-Oklahoma, using data packers already submit under Livestock Mandatory Reporting (LMR).[4] This produces a published price for a sizeable share of the country's cattle feeding segment. To be clear, this does not alter negotiated cash trade volume, but rather how USDA provides market information within LMR. On a related note, Drs. Ted Schroeder, Lee Schulz, and I assessed regional aggregation in 2019 and found aggregation "might increase reportability, but at the cost of information content and value."[5] I continue to

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[2]McKendree, Tonsor, Schroeder, and Hendricks, "Impacts of retail and export demand on United States cattle producers," American Journal of Agricultural Economics; AAEA summary: https://www.aaea.org/about-aaea/media--public-relations/press-releases/beefing-up-sales-impacts-on-retail-and-exports

[3] https://www.ams.usda.gov/sites/default/files/media/ConfidentialityGuidelines.pdf

[4] See USDA reports LM_CT201 and LM_CT202: https://www.ams.usda.gov/market-news/regional-direct-slaughter-cattle

[5]Schroeder, Schulz, and Tonsor (November 4, 2019), "Feasibility Assessment of Reporting Negotiated Slaughter Cattle Purchases in Separate Delivery Window Categories," report to USDA-AMS: https://www.ams.usda.gov/sites/default/files/media/FinalReportNegotiated5AreaCattleStudy.pdf

recommend periodic, data-driven reassessment as the market, and with it public market reporting efforts, will continue to evolve.[6]

The key point here is that nothing happens in isolation, as inner-industry workings are both complex and reflect price-signaled adjustments, when allowed. The historical improvement in consumer beef demand, value-based price signals from seedstock to plate, and fed cattle marketings are clearly linked. Hopefully these and other inner-industry linkages gain appreciation, along with renewed interest in data-driven assessment, as they are critical to industry economic viability.

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The Markets

		Week of 10/30/26	Week of 10/23/26	Week of 10/31/25
5-Area Fed Steer	all grades, live weight, $/cwt	$223.73	$227.08	$230.86
	all grades, dressed weight, $/cwt	$352.19	$360.79	$358.54
Boxed Beef	Choice Value, 600-900 lb., $/cwt	$368.52	$370.55	$379.06
	Choice-Select Spread, $/cwt	$13.47	$14.57	$18.74
700-800 lb. Feeder Steer	Montana 3-market, $/cwt	--	$347.49	--
	Nebraska 7-market, $/cwt	$372.75	$378.13	$367.59
	Oklahoma 8-market, $/cwt	$361.80	$358.89	$350.43
500-600 lb. Feeder Steer	Montana 3-market, $/cwt	$450.25	$426.00	$426.25
	Nebraska 7-market, $/cwt	$458.40	$464.86	$451.50
	Oklahoma 8-market, $/cwt	$437.38	$430.65	$401.68
Feed Grains	Corn, Omaha, NE, $/bu (Thursday)	$4.26	$4.40	$4.05
	DDGS, Nebraska, $/ton	$202.50	$203.75	$148.29

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

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[6] Here in 2026 some may find this Feedlot magazine summary of our 2019 work useful: https://www.feedlotmagazine.com/news/industry_news/potential-strategies-for-improving-price-reporting-and-transparency-in-the-fed-cattle-market/article_a7acd2ba-6e35-11ec-b2f2-f76698fe1069.html

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