



# IN THE CATTLE MARKETS



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## TEXAS A&M AGRILIFE EXTENSION

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### **Cattle Prices Creeping Higher**

Fed cattle prices have been climbing, slowly, following the market correction that began in late July-early August. After falling from a high of \$197.09 to \$181.18 per cwt. the 5-market weekly average has climbed back to \$186.89 over the last 4 weeks. Prices were in the \$188 range later during the week ending October 4<sup>th</sup>.

Normally, fed cattle prices increase, seasonally, in the Fall. A 10 year seasonal fed cattle price index would suggest that prices increase about 5 percentage points from September to November. Of course, last year was an exception to that when prices declined during the Fall. It's not unusual for fed cattle prices to hit their high for the year in the Fall but, that would require a faster pace of increase than seen, so far.

Prices continue to creep higher in the face of larger beef production and a cutout value that has been at or below last year's level. Fed steer and heifer slaughter is 1.2 percent higher than last year over the last 9 weeks. Fed steer weights continue to increase and are at record highs. Federally inspected dressed weights hit 948 pounds for the week ending October 4<sup>th</sup> and are not likely at their Fall peak yet. Heifer dressed weights are not quite at record highs, about 2 pounds away from a record. The combination more fed cattle going to market and record high weights means that beef production has exceeded that of a year ago for the last 9 consecutive weeks. The increase in fed beef production continues to offset the decline in beef and dairy cow beef production.

Adding to the beef production equation is the percent of beef grading Choice. Almost 73 percent of beef graded during the first week of October graded Choice. That is a 2.5 percentage point increase over a year ago. For the last 9 weeks a larger percentage of beef graded was Choice compared to a year ago. Combine increased fed steer and heifer slaughter, larger dressed weights, and more grading Choice means that total supplies of Choice beef are greater than a year ago. More beef is grading Prime than last year also, contributing to greater supplies of Prime beef than last year. Supplies are likely keeping a lid on the cutout value making the slow increase in fed cattle prices a little more impressive.

### The Markets

It's dry in many parts of Texas with more areas showing up on the drought monitor. Dry conditions are likely impacting calf prices with many markets reporting little change to lower prices compared to the prior week. Drought conditions are also likely impacting wheat pasture development and winter grazing prospects.

		Week of 10/11/24	Week of 10/4/24	Week of 10/13/23
<b>5-Area Fed Steer</b>	all grades, live weight, \$/cwt	\$187.21	\$186.89	\$184.30
	all grades, dressed weight, \$/cwt	\$295.92	\$296.00	\$291.83
<b>Boxed Beef</b>	Choice Value, 600-900 lb., \$/cwt	\$308.42	\$300.09	\$301.35
	Choice-Select Spread, \$/cwt	\$19.22	\$15.16	\$25.46
<b>700-800 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	\$269.18	\$246.00	\$265.83
	Nebraska 7-market, \$/cwt	\$271.15	\$270.44	\$265.93
	Oklahoma 8-market, \$/cwt	\$255.88	\$253.31	\$251.93
<b>500-600 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	\$323.75	\$291.00	\$279.00
	Nebraska 7-market, \$/cwt	\$312.95	\$312.95	\$300.09
	Oklahoma 8-market, \$/cwt	\$282.99	\$278.24	\$281.55
<b>Feed Grains</b>	Corn, Omaha, NE, \$/bu (Thursday)	\$3.95	\$4.06	\$4.88
	DDGS, Nebraska, \$/ton	\$162.83	\$161.67	\$202.86

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

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