



IN THE CATTLE MARKETS



March 17, 2025

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Importance of Managing Inputs with High Cattle Prices

2025 is expected to be another year of high cattle prices as a result of, primarily, tight supplies. Average weekly prices for 500-600-pound steer calves across the country have increased by roughly 10 percent with fed steer prices also increasing 10 percent year over year. Week to week, there has been some volatility, but overall, prices have remained strong during the first few months of 2025. Prices for weaned heifers, replacement cattle, and cull cows in Florida are following the same trend with March prices being 7 percent, 22 percent, and 16 percent higher year over year, respectively. As we approach expansion and more heifers are retained and culling slows more than it already has, the value of female cattle will increase. Prices for feeder cattle will also increase with less heifers entering the market. The next few years are expected to be highly favorable for cow-calf producers in terms of revenue.

In terms of profitability, production costs are also high, affecting how large profits could potentially be in the current market. According to data from the Livestock Marketing

Information Center and USDA, average cow-calf costs (cash costs + pasture rent) are estimated to be \$1,045/cow for 2025, unchanged from 2024, and down 4 percent from 2023. High production costs are influenced by factors that are essentially out of a producer's control. However, producers do have control over how they manage their production costs through keeping accurate production records that justify certain management strategies.

Record keeping also aids in revealing where there are opportunities to alter management strategies to capitalize in the current market. Examples of adjusting management strategies could include selling bred cull cows instead of open cull cows, weaning lighter/heavier weight calves, selling/retaining bred heifers rather than retaining/selling, or destocking to improve forage production and restocking when prices decline. The goals and resources of every operation are different. Record keeping can help in knowing how and where to adjust resources to meet or exceed those goals in good and bad years.

Returns for cow-calf producers are forecasted to be \$560/cow in 2025, up from \$442/cow in 2024. This forecast is similar to returns seen in 2014 when production costs were lower by 20 percent, and expansion has hardly even started. Despite higher production prices, the next couple of years are expected to bring positive returns for cow-calf producers.

No matter the year, managing inputs and record-keeping should always be a priority. Records provide insight into how much money is being earned and spent, on what, and why. Analyzing the "why" behind production costs and marketing strategies can validate management decisions and reveal opportunities for improvements to be made. Raising cattle often involves "spending a little to make a little," meaning there is a difference between a necessary investment and an unnecessary expense. During a time when there may be a little extra spending money does not necessarily mean it has to be spent. Eventually, prices will come back down, and that extra income will be needed to offset unprofitable years. Simultaneously, failing to review current strategies would mean missing an opportunity to implement purposeful changes while the resources are available to do so. Now is the time to make "penciled-out" decisions that can improve the long-term production and profitability of an operation.

The Markets

Markets were up across all weight categories last week. Fed cattle prices were up almost 3 percent from last week. Feeder cattle prices were up 2-5 percent across weights and markets last week with the largest increase of \$14.08/cwt for 700-800lb feeder steers being seen in Oklahoma. All markets were up year-over-year.

		Week of 3/14/25	Week of 3/7/25	Week of 3/15/24
5-Area Fed Steer	all grades, live weight, \$/cwt	\$205.30	\$200.28	\$187.47
	all grades, dressed weight, \$/cwt	\$324.97	\$316.43	\$298.06
Boxed Beef	Choice Value, 600-900 lb., \$/cwt	\$319.57	\$314.07	\$310.39
	Choice-Select Spread, \$/cwt	\$12.54	\$10.42	\$9.67
700-800 lb. Feeder Steer	Montana 3-market, \$/cwt	--	\$290.69	\$270.87
	Nebraska 7-market, \$/cwt	\$304.71	\$299.01	\$271.54
	Oklahoma 8-market, \$/cwt	\$293.74	\$279.66	\$259.06
500-600 lb. Feeder Steer	Montana 3-market, \$/cwt	--	\$369.35	\$334.13
	Nebraska 7-market, \$/cwt	\$380.22	\$374.26	\$338.64
	Oklahoma 8-market, \$/cwt	\$368.70	\$357.26	\$324.69
Feed Grains	Corn, Omaha, NE, \$/bu (Thursday)	\$4.49	\$4.44	\$4.37
	DDGS, Nebraska, \$/ton	\$161.25	\$161.50	\$178.00

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

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