

KANSAS STATE UNIVERSITY

Department of Agricultural Economics

BEEF-CATTLE OUTLOOK

Demand-Driven Prosperity
Record Dollars at Risk
External Shocks Growing

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2026

CROP INSURANCE WORKSHOP

Thursday, October 29, 2026

Webster Conference Center

Salina, Kansas

2026 K-State Crop Insurance Workshop • Thursday, October 29, 2026 • Webster Conference Center, Salina

Four Things to Take Home

1

Historically high prices are a DEMAND story

Beef demand index hit a record 138 in 2025 (2000 = 100);
~87% of the 2024→25 retail price rise traces to demand, not fewer cows

2

Fewer cows ≠ less beef

27.6M beef cows (Jan. 2026, -1%), but fewer placements and cattle fed longer & heavier mute herd headline

3

Record dollars at risk

Cow-calf returns > \$950/cow; fed steers sold ~\$11/cwt under no-grid feeding breakevens in Sept. 2026

4

Shocks, price discovery & data matter

Border & trade policy, fed cattle cash trade & USDA reporting, and a NASS correction — reliable data matters and is ever-evolving

What's Moved Since Late September

\$348

**Nov. feeder cattle
futures, 10/23 close**

vs. ~\$333 for the Oct.
contract on 9/23: rally
resumed after the August
break

\$231

**Dec. live cattle futures,
10/23 close**

vs. ~\$221 for the Oct.
contract on 9/23

-12%

**Sept. feedlot placements
vs. 2025**

1.78M head; Oct. 1 on feed
11.37M (-0.4%), with over-
120-day cattle +12%

Ports

**Mexican cattle imports
resuming in stages**

Columbus, NM 10/26;
Nogales, AZ planned 11/30.

Futures compare different contract months (Oct. vs. Nov./Dec.); read direction, not exact spread. Sources: Brownfield Ag News closing futures (10/23/26); USDA-NASS Cattle on Feed via LMIC (10/23/26); Reuters via GV Wire (10/20/26); 9/23 levels from KSU Stocker Field Day deck.

https://www.youtube.com/watch?v=xXj_nyUrn9A&feature=youtu.be

2020–2025: The Beef-Cattle Market Summarized in One Table

Year	Fed Steer \$/cwt	Feeder \$/cwt	Calf \$/cwt	Slaughter (1,000 hd)	Dressed lbs	Prod. (mil lbs)	Per-Cap Cons. lbs	(Nominal) Retail \$/lb	Demand Index (2000=100)
2020	\$108.51	\$137.10	\$157.74	32,786	829	27,174	58.2	\$6.38	118.7
2021	\$122.40	\$148.32	\$168.36	33,850	826	27,948	58.9	\$6.95	125.7
2022	\$144.40	\$168.84	\$191.09	34,325	824	28,291	59.0	\$7.30	122.8
2023	\$175.53	\$221.67	\$259.36	32,844	821	26,967	57.8	\$7.60	119.8
2024	\$187.12	\$256.42	\$309.38	31,830	848	26,984	59.1	\$8.01	127.5
2025	\$224.37	\$329.76	\$401.47	29,795	873	26,003	59.3	\$8.84	137.6

Fed steers +107%, feeders +141%, calves +155% vs. 2020

~25% general inflation over the same span

Consumers bought more beef at higher real prices: *that is demand growth*

Data: USDA-AMS, USDA-NASS, BEA; compiled by LMIC / KSU.

So Why Are Beef Prices Really This High?

Attribution of the 2024 → 2025 retail beef price increase:



"...and now you know the rest of the story."

The herd headline explains a small share of record prices; the consumer explains most of it.

Source: Coffey & Tonsor (Dec 2025), *A Microeconomic Assessment of the US Retail Beef Market: Beef Demand Matters* (agmanager.info).

How U.S. Domestic Beef Demand Reaches the Farm Gate

+1% demand

lifts fed cattle prices +1.52% & feeder cattle +2.48%

McKendree, Tonsor, Schroeder & Hendricks (AJAE)

2025 lesson

+8% demand

= fed +12% & feeders +20%

Every demand tailwind is leveraged:
feeder \$respond more than fed \$, and calf prices more still

Demand is NOT per-capita consumption!

Per-capita disappearance = supply ÷ people; by itself it says little about eagerness to buy.

Demand = the quantity consumers take at each offer price.

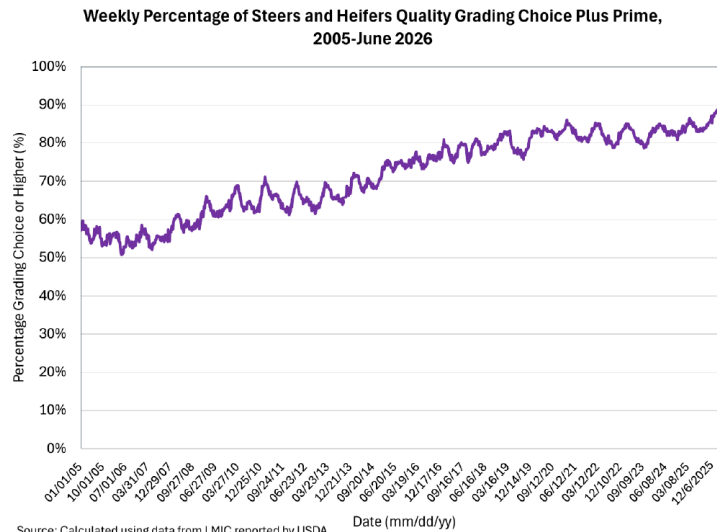
More pounds moving at HIGHER inflation-adjusted prices = demand growth — exactly what 2024 & 2025 delivered for beef.

The leverage works both ways: 1% demand setback would hit calf values hardest.

Sources: McKendree et al. (AJAE); beefboard.org “What’s Demand Got To Do With It?” (July 2025); KSU Meat Demand Monitor.

The “High Steaks” Quality Story (2010 → 2025)

	2010/2011	2025	Change
Choice + Prime grading (national)	65%	84%	+19 pts
Prime alone	4%	12%	3x
Select	31%	13%	-18 pts
Negotiated cash sales	34%	18%	-16 pts
Formula sales	48%	64%	+16 pts



Beef demand grew despite substantial headwinds by producing what people wanted

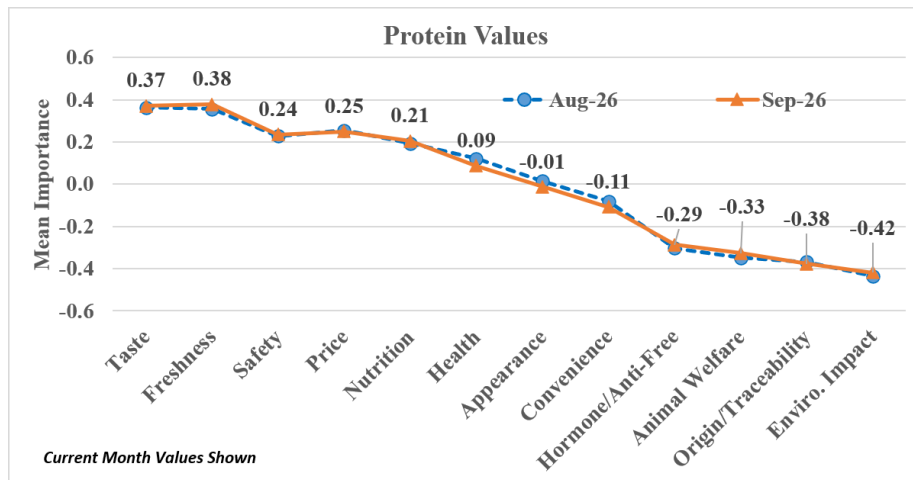
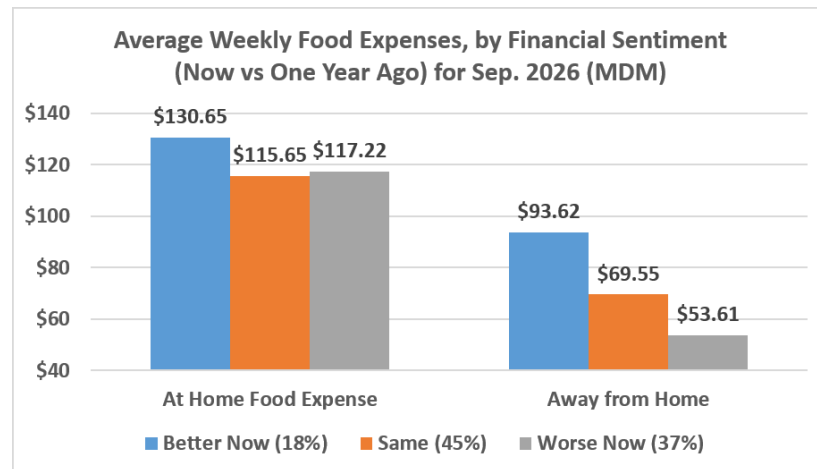
Value-based marketing sent the signal, producers answered, consumers rewarded

Market signals → industry change → better product → better demand → better price.

#LetMarketsWork

Source: Schroeder & Tonsor, AAEE Meetings, Kansas City 2026 (USDA-AMS / LMIC data).

Consumer Signals: Taste Leads; Food Buying Is K-Shaped



KSU Meat Demand Monitor, Sept. 2026:

Taste, Freshness, Price & Safety anchor protein purchases; 47% rank Price a top-4 factor vs. 22% bottom-4.

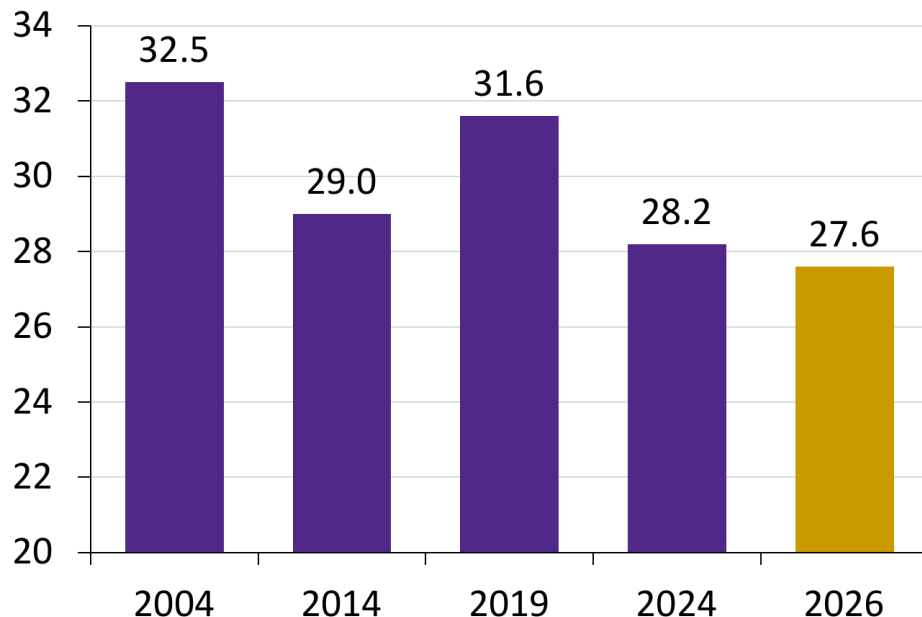
Only 18% report improving finances vs. 37% worse.

The "worse now" group spends ~\$54/week away from home vs. ~\$94 for "better now"

Source: KSU Meat Demand Monitor, September 2026 (released 10/2/26), agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data

Beef Cow Herd: Smallest Since... Ever — But Not a New Pattern

Jan. 1 Beef Cow Inventory, Selected Years
(USDA-NASS, million head)

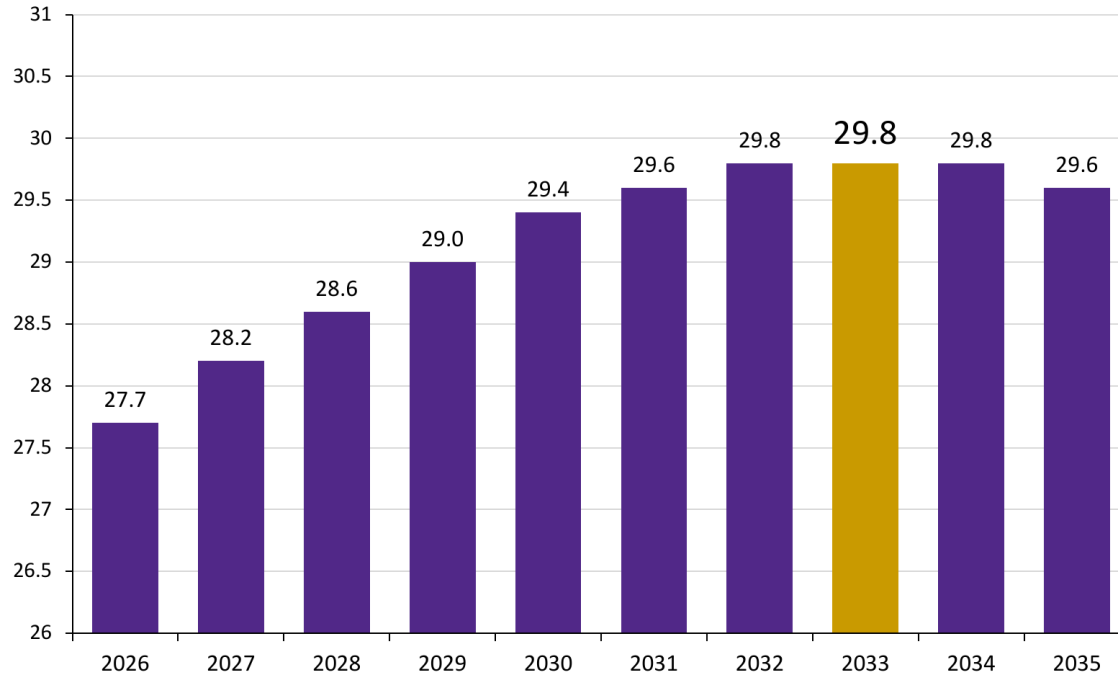


- **Jan. 2026: 86.2M all cattle; 27.6M beef cows (-1%) — liquidation slowed**
- 2025 calf crop: 32.9M head — smallest since 1941
- Shrinking herd is NOT new: -167k cows/yr since 1965; -198k/yr since 1996
 - July 2026 inventory showed early signs of stabilization
- **USDA long-term (Feb. 2026): next cow peak 2033 at 29.8M head — but MORE beef**

Data: USDA-NASS Cattle reports; USDA Agricultural Projections to 2035 (OCE-2026-1).

Herd Rebuild Ahead: USDA Projects Beef Cows Growing Into 2033

Jan. 1 Beef Cow Inventory, million head — USDA OCE-2026-1 projections



+2.1M

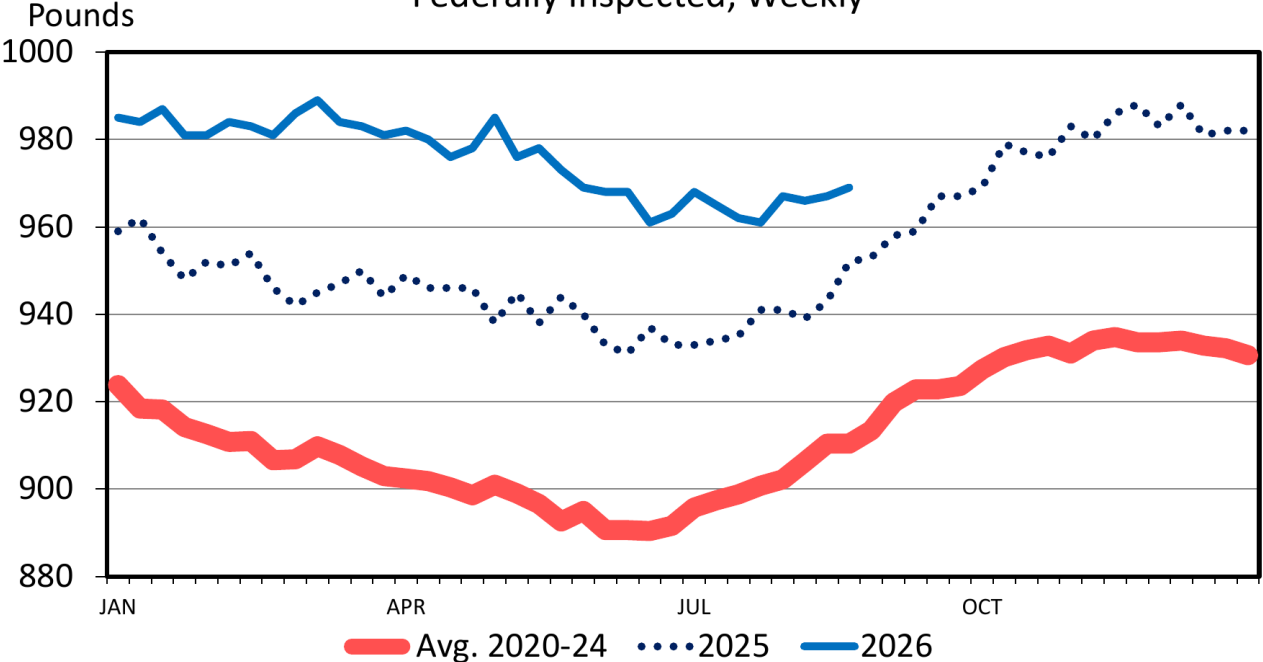
beef cows by the 2033 peak

27.7M (2026) → 29.8M (2033)
a LOWER peak than 2019 (31.6M)

Source: USDA Agricultural Projections to 2035 (OCE-2026-1, Feb. 2026), Tables 19-21; projections completed Nov. 2025.

Pounds vs. Hooves: Beef Volume Is the Supply Metric That Matters Most

STEER DRESSED WEIGHT Federally Inspected, Weekly



+52 lbs

Dressed weights, 2024-25

2025: slaughter -6.4%,
beef production only -3.6%

935 lbs

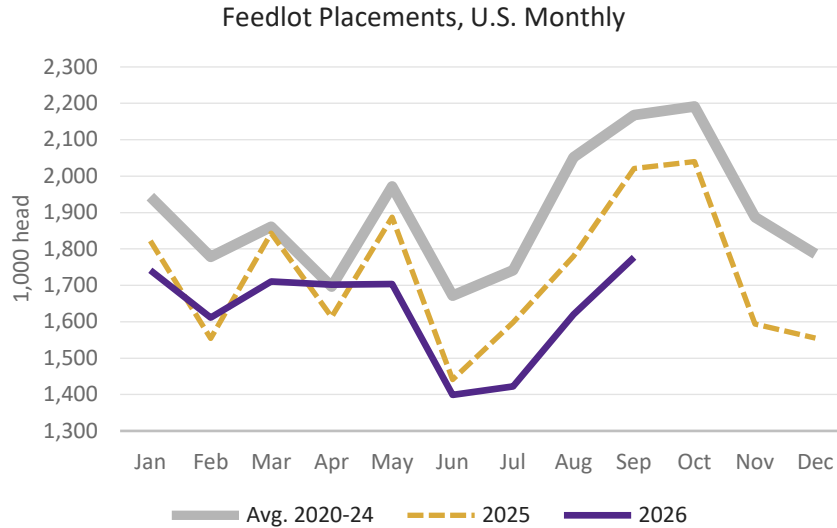
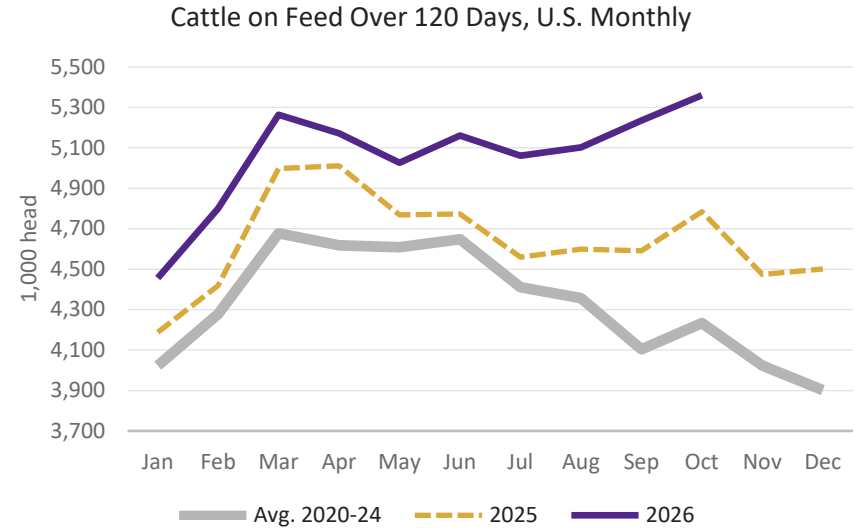
Beef per cow by 2033 (USDA)

Efficiency & weights keep raising
output per animal

*Beef volume, not head
count, is key supply
metric*

Chart: LMIC (USDA-AMS & NASS), federally inspected steer dressed weight, weekly. Stats: USDA-NASS; USDA OCE-2026-1.

Feedlots: Fewer Cattle Coming In, Cattle Staying Longer



-12%

Sept. placements vs. 2025
(1.78M head; -18% vs. 2020-24 avg.)

+12%

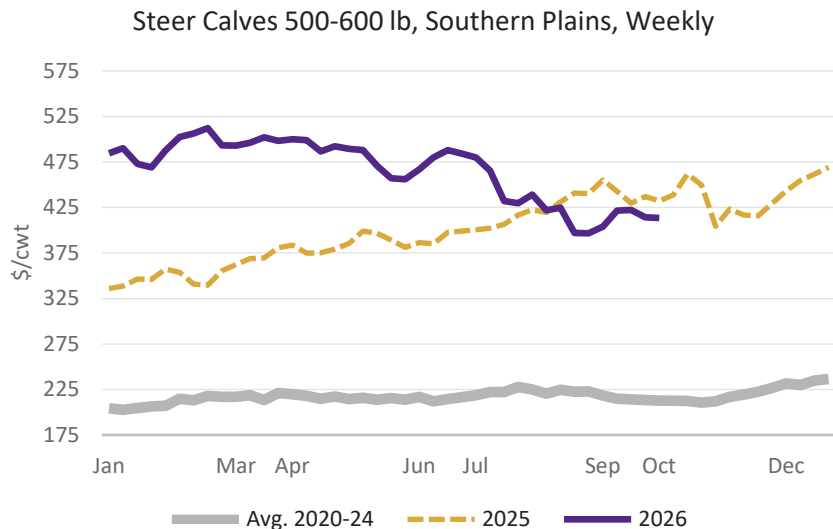
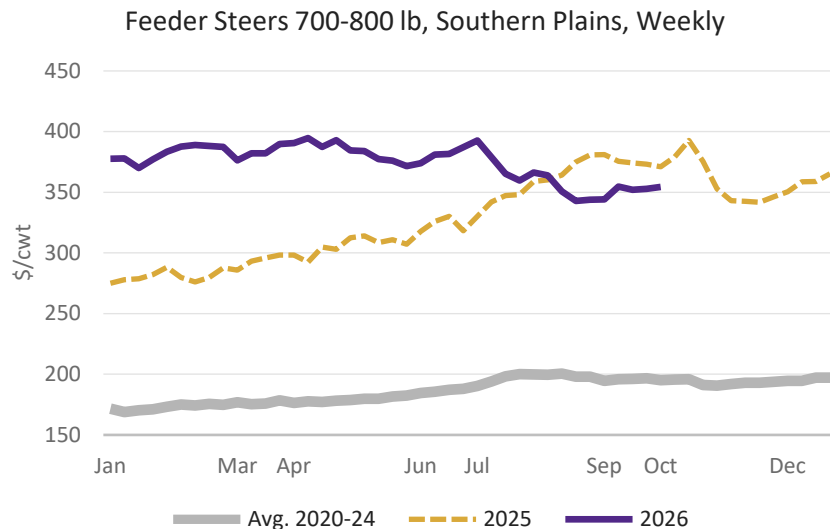
On feed > 120 days, Oct. 1
vs. 2025 (5.36M head)

37.8%

Heifers share of cattle on
feed, Oct. 1 (38.1% a year
ago)

Data: USDA-NASS Cattle on Feed (Oct. 23, 2026 release), compiled by LMIC; 1,000+ head capacity feedlots.

Calf & Feeder Prices: Record Levels, Now Running Below 2025



\$413/cwt

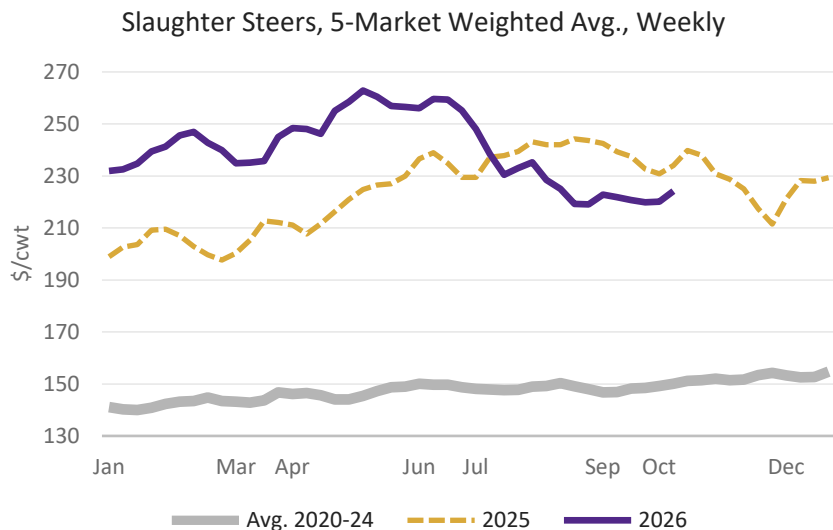
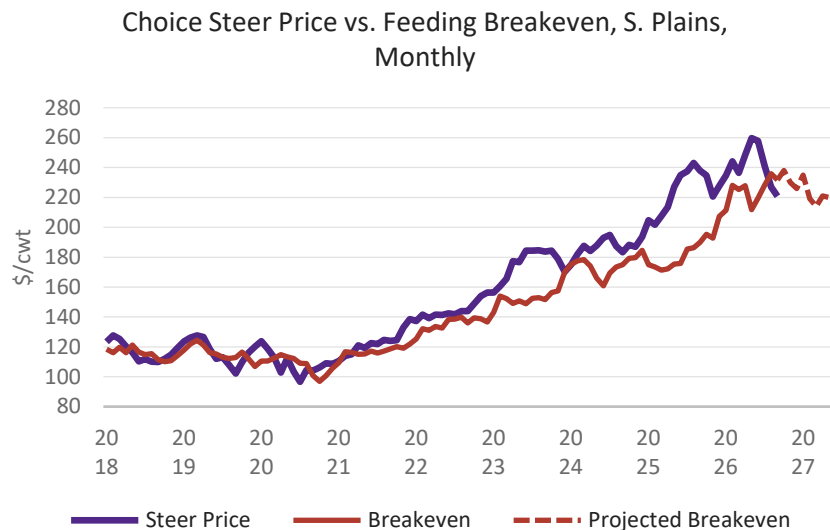
Calves, latest week: -4% vs. same week 2025 (\$432); ~1.9x the 2020-24 average

\$354/cwt

Feeders, latest week: -5% vs. same week 2025 (\$371); ~1.8x the 2020-24 average

Data: USDA-AMS, Med. & Lrg. #1 steers, Southern Plains, weekly; compiled by LMIC (10/19/26).

Fed Cattle: Off the Spring Record & Now Under No-Grid Breakeven



\$224/cwt

Fed steers, latest week: -4% vs. same week 2025 (\$234); spring peak ~\$263

-\$11/cwt

Sept. 2026 Choice steer (\$221) vs. breakeven (\$232): ~ -\$158/head on a 1,450-lb steer

Data: USDA-AMS & USDA-NASS, compiled & analysis by LMIC (10/19/26 & 10/23/26). Projected breakeven (dotted) runs through mid-2027.

Quarterly Forecasts (LMIC: Oct. 13, 2026)

Year	Comm'I	% Chg.	Average	% Chg.	Comm'I	% Chg.
Quarter	Slaughter	from	Dressed	from	Beef	from
		Year Ago	Weight	Year Ago	Production	Year Ago
2026						
I	6,885	-8.5	892.9	2.7	6,148	-6.1
II	6,906	-7.3	891.1	2.8	6,154	-4.6
III	6,896	-6.0	886.5	2.3	6,113	-3.9
IV	6,995	-6.6	912.4	2.8	6,383	-4.0
Year	27,683	-7.1	895.8	2.6	24,798	-4.6
2027						
I	6,562	-4.7	913.9	2.4	5,996	-2.5
II	6,589	-4.6	912.0	2.3	6,009	-2.4
III	6,588	-4.5	906.8	2.3	5,974	-2.3
IV	6,671	-4.6	933.6	2.3	6,228	-2.4
Year	26,409	-4.6	916.6	2.3	24,207	-2.4
2028						
I	6,316	-3.7	932.6	2.0	5,891	-1.8
II	6,339	-3.8	930.7	2.0	5,899	-1.8
III	6,354	-3.6	925.5	2.1	5,880	-1.6
IV	6,403	-4.0	952.8	2.1	6,101	-2.0
Year	25,412	-3.8	935.4	2.1	23,771	-1.8

Data Source: Livestock Marketing Information Center

Quarterly Forecasts (LMIC: Oct. 13, 2026)

Dressed Weights & Imports

Mitigating Domestic Production Decline

Year Quarter	Comm'l Slaughter	% Chg. from Year Ago	Average Dressed Weight	% Chg. from Year Ago	Comm'l Beef Production	% Chg. from Year Ago	Per Capita Consumption	% Chg. from Year Ago
	(1,000 Head)		(Lbs.)		(Mil. Lbs.)		(Retail Wt.)	
2022								
Year	34,325	1.4	824	-0.2	28,291	1.2	59.0	0.1
2023								
Year	32,844	-4.3	821	-0.4	26,967	-4.7	57.8	-2.0
2024								
Year	31,830	-3.1	848	3.3	26,984	0.1	59.1	2.3
2025								
Year	29,795	-6.4	873	2.9	26,003	-3.6	59.2	0.1
2026								
Year	27,683	-7.1	896	2.6	24,798	-4.6	59.0	-0.3
2027								
Year	26,409	-4.6	917	2.3	24,207	-2.4	57.3	-2.8
2028								
Year	25,412	-3.8	935	2.1	23,771	-1.8	56.2	-2.0

Data Source: Livestock Marketing Information Center

Quarterly Forecasts: Cattle (LMIC: Oct. 13, 2026)

Year Quarter	Live Sltr. Steer Price 5-Mkt Avg	% Chg. from Year Ago	Feeder Steer Price Southern Plains	
			7-800#	5-600#
2026				
I	238.65	16.4	381.49	492.41
II	255.76	13.6	382.86	481.38
III	230.82	26.6	359.57	427.91
IV	227-229	20.0	357-359	428-430
Year	233-243	6.1	368-372	456-460
2027				
I	235-239	-0.7	357-362	452-456
II	240-245	-5.2	368-375	458-463
III	241-247	5.7	381-389	459-466
IV	239-246	6.4	379-388	460-468
Year	237-247	1.7	370-380	455-465
2028				
I	241-249	3.4	363-373	454-464
II	243-252	2.1	375-387	458-469
III	245-255	2.5	381-395	461-474
IV	242-253	2.1	377-392	462-477
Year	240-255	2.3	372-387	457-472



Ongoing Development: AMS Can't Report KS Negotiated Fed Cattle Trade



Kansas Daily Direct Slaughter Cattle - Negotiated Purchases - Summary

Agricultural Marketing Service
Livestock, Poultry, and Grain Market News

September 18, 2026

[LM_CT121](#)

[Email us with accessibility issues regarding this report.](#)

Roundup for: Thursday, 09/17/2026

Domestic source only. Live sales based on net weights FOB the feedlot after a 3-4% shrink. Dressed sales based on hot carcass weights delivered to the plant.

Negotiated Cash:

Confirmed:	**Confidential**	Week ago:	**Confidential**	Year ago:	1,159
Week to Date:	**Confidential**	Week ago:	**Confidential**	Year ago:	1,400

Negotiated Grid Base:

Confirmed:	**Confidential**	Week ago:	**Confidential**	Year ago:	
Week to Date:	**Confidential**	Week ago:	**Confidential**	Year ago:	448

Negotiated Cash Sales

Information not reported due to confidentiality

Source: USDA-AMS Livestock, Poultry & Grain Market News, report 2666 (LM_CT121), Kansas Daily Direct Slaughter Cattle – Negotiated Purchases

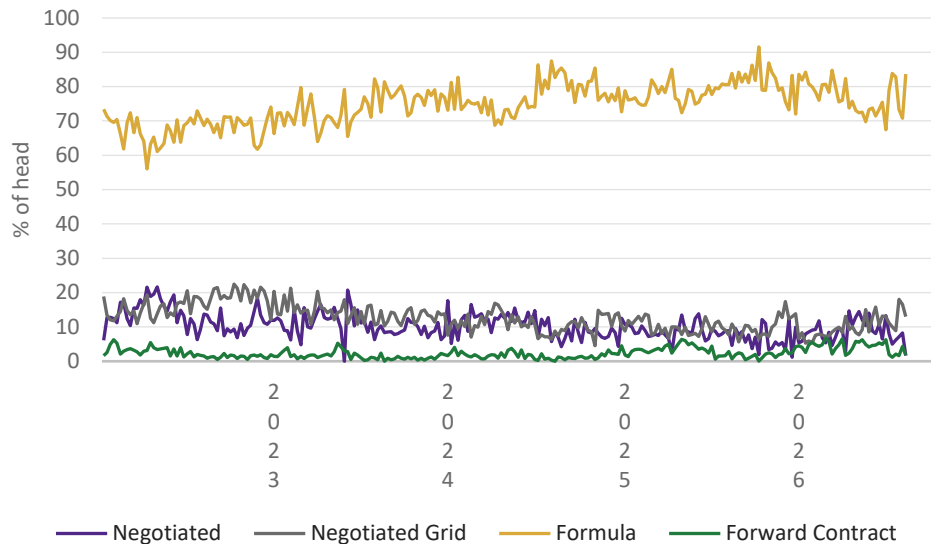
USDA-AMS LM_CT121, 9/17/2026 roundup:

Too few buyers / too concentrated a share of Kansas negotiated volume to clear USDA's 3/70/20 confidentiality guideline.

- Negotiated cash is ~18% of fed sales nationally & anchors formula & grid \$
 - Missing KS quotes since mid-Aug
- KSU feedlot-return projections now fill Kansas gaps with the prior-year NE-KS relationship (9/15/26 report)

USDA's Response: New Regional Cash Cattle Report (Began Oct. 26)

Kansas Steers/Heifers Sold by Transaction Type, Weekly



What USDA announced (Oct. 20)

- One new AMS report aggregating negotiated cash trade for CO, TX, NM, OK & KS
- Starts with afternoon reports Mon., Oct. 26
- Uses data packers already submit under LMR: no added reporting burden
- Framed as a step under the "Supporting American Ranchers" and "Promoting Fair Competition in Livestock Markets" Executive Orders

Aggregating restores a published regional cash price (in newly created region) / it does not add cash volume

Sources: USDA press release 0138.26 (10/20/26); USDA-AMS LMR data compiled by LMIC (Kansas weekly series ends week of 8/17/26 under confidentiality).

USDA Data Matter: NASS Corrects September Corn Estimates

Oct. 23-24 notices: a September processing error (incorrect acreage weights combining irrigated & non-irrigated objective yield samples) affected Kansas & Nebraska. Corrected September yield forecasts:

Kansas

119

bu/ac, down 3

Nebraska

182

bu/ac, up 5

U.S.

178.8

bu/ac, up 0.3

- October forecasts were reviewed and are unchanged
- NASS is adding pre-publication checks on acreage weights and objective yield calculations

Why it matters

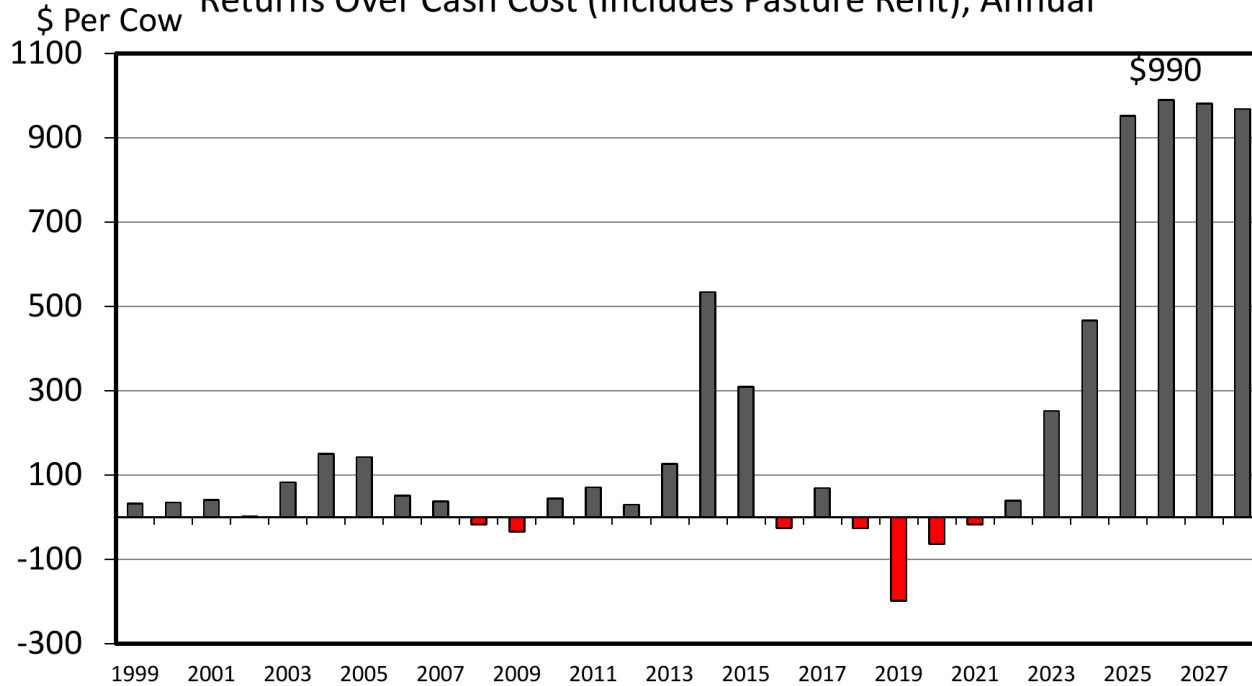
- Reaffirms how much a wide range of stakeholders rely on USDA data: insurance, lending, marketing, policy, research
- Quickly finding, fixing & explaining an error builds the trust markets need
- Encourage renewed support & appreciation / value the people & systems behind the numbers

Sources: USDA-NASS notices, 10/23/26 ("NASS Corrects September 2026 Corn Data; October 2026 Forecasts Unchanged") and 10/24/26 (additional information).

Cow-Calf: Record Return Period

ESTIMATED AVERAGE COW CALF RETURNS

Returns Over Cash Cost (Includes Pasture Rent), Annual



> \$950 / cow

LMIC est. returns 2025-2028

\$756 / cow

KFMA top 1/3 vs. bottom 1/3

returns over variable costs
range— know YOUR numbers as
costs vary WIDELY

Chart: LMIC (USDA & LMIC data), returns over cash cost incl. pasture rent, annual. KFMA: agmanager.info/kfma/kfma-enterprise-reports

Want Feeder Cattle Price, Basis, & VOG Projections?

Use BeefBasis.com

*Salina **BACKGROUND** Market, as of 10/26/26*

10/28/2026 Buy/Retain @ 600 lbs.

1/13/2027 Sell @ 725 lbs

ADG=1.4

- *Expected Buy/Retain Price: \$396/cwt*
 - *Expected Sell Price: \$359/cwt*
 - *VOG: \$185/cwt (\$231/head)*

Want Feeder Cattle Price, Basis, & VOG Projections?

Use BeefBasis.com

*Salina **SUMMER GRASS** Market, as of 10/26/26*

4/7/2027 Buy/Retain @ 725 lbs

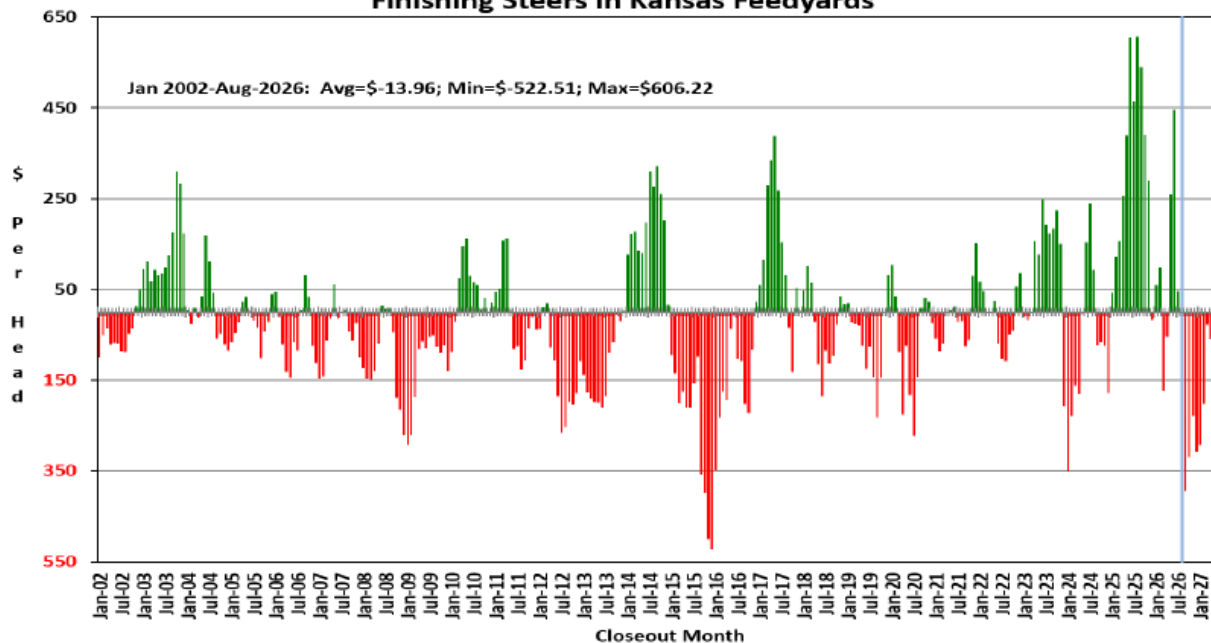
8/18/2027 Sell @ 925 lbs

DOF=133 & ADG=1.5

- *Expected Buy/Retain Price: \$355/cwt*
 - *Expected Sell Price: \$316/cwt*
 - *VOG: \$176/cwt (\$352/head)*

Cattle Feeding: 24 Years of Volatile Closeouts

Figure 1. Historical & Projected Average Net Returns for Finishing Steers in Kansas Feedyards



\$606 / hd

Record 2025 closeout

Jul-26 +\$45

-\$523 / hd

(2015)

Long-run average ≈ -\$14/hd.

Projected 2026-27 red ink is not unusual— but dollars per head at risk are ~2x prior cycles because placement costs are.

Source: KSU Historical & Projected Kansas Feedlot Net Returns, Figure 1 (10/20/2026); Kansas feedyards, monthly steer closeouts.

Record Prices = Record Dollars per Head at Risk

≈ \$2,480

per head

600-lb steer calf at \$413/cwt (S. Plains, latest week)

\$375–490

per head

a \$50–65/cwt feeder futures swing on a 750-lb feeder (2026 actual)

≈ -\$319

per head

Oct. 2026 fed steer, no-grid closeout

Sources: USDA-AMS weekly prices & LMIC breakeven estimates (10/19-10/23/26); CME Group futures settlements.

What Could Change the Story: Watch List

Consumer finances

K-shaped economy; only ~18% of MDM respondents report improving finances.

Meat demand rests on employment & incomes.

Trade & border policy

Beef exports down on tight supplies while imports grow; tariff uncertainty; staged Mexican cattle import reopening (screwworm).

Rebuild timing & size

Heifers still ~38% of cattle on feed; retention squeezes feeder supplies first, expands them later; likely a lower herd peak (2033?).

Price discovery & data

Negotiated cash (~20% nationally) & new AMS cash report; reliable USDA data underpins envy of the world & U.S. ag market function

Take-Home Messages

1

Demand, more than supply, is carrying record prices

and demand leverage cuts both ways: calves and feeders feel it most

2

Fewer cows $\neq$ less beef

fewer placements, but cattle fed longer & heavier; the rebuild is coming, but slow and partial

3

Record margins and record capital per head

cow-calf profitable; feeding under breakeven; know each client's numbers

4

Record \$ at risk

Evolving volatility, policy shocks & price discovery make risk tools and reliable USDA data more valuable

More Information Available At:

agmanager.info/contributors/tonsor

Meat Demand Monitor: agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data
Cattle finishing returns • KFMA enterprise reports • Beef replacement & feeder-cattle risk tools • BeefBasis.com

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This presentation will be available in PDF format at the AgManager link above.

Host of additional industry resources are cross-linked at AgManager.info as well.