

KANSAS STATE UNIVERSITY

Department of Agricultural Economics

BEEF CATTLE OUTLOOK

Demand-Driven Prosperity

Record Dollars at Risk

External Shocks Growing

What Stocker Operators Should Watch

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2026 K-State Beef Stocker Field Day • Thursday, September 24, 2026 • KSU Beef Stocker Unit, Manhattan

Bottom Line Up Front

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 more than # of cows.

2

Fewer cows ≠ less beef

Jan. 2026 beef cows 27.6M (-1%) — but heavier carcasses and +47 days on feed mute the herd headline.
USDA sees the next cow peak in 2033 @ 29.8M.

3

Record margins AND record dollars at risk

Cow-calf ~\$990/cow projected for 2026
Cattle feeding: KSU projects losses of \$220–\$380/head on Sep-26 → Mar-27 closeouts

4

Stocker watch list

Consumer finances (K-shaped economy), trade/policy shocks, rebuild reality, excess feedlot & plant capacity, buy/sell margin risk... **oh my** = pencil breakevens

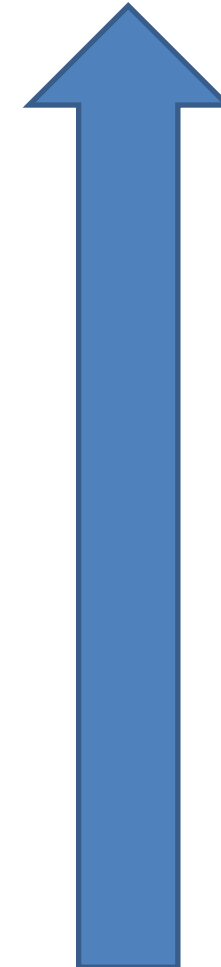
Quarterly Forecasts (LMIC: Sept. 10, 2026)

Year Quarter	Comm'l Slaughter	% Chg. from Year Ago	Average Dressed Weight	% Chg. from Year Ago	Comm'l Beef Production	% Chg. from 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	6,905	-5.9	889.7	2.6	6,143	-3.4
IV	6,995	-6.6	912.4	2.8	6,383	-4.0
Year	27,692	-7.1	896.6	2.7	24,828	-4.5
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	6,593	-4.5	910.1	2.3	6,001	-2.3
IV	6,671	-4.6	933.6	2.3	6,228	-2.4
Year	26,414	-4.6	917.5	2.3	24,234	-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	6,358	-3.6	928.8	2.0	5,905	-1.6
IV	6,403	-4.0	952.8	2.1	6,101	-2.0
Year	25,416	-3.8	936.2	2.0	23,795	-1.8

Data Source: Livestock Marketing Information Center

Quarterly Forecasts: Cattle (LMIC: Sept. 10, 2026)

Year Quarter	Live Sltr. Steer Price	% Chg. from	Feeder Steer Price	
	5-Mkt Avg	Year Ago	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	226-229	26.6	361-363	429-431
IV	228-232	20.0	351-354	418-421
Year	233-243	6.1	368-372	453-458
2027				
I	235-240	-0.5	355-360	446-450
II	240-246	-5.0	366-373	452-457
III	242-249	7.9	379-387	453-460
IV	237-245	4.8	377-386	452-460
Year	234-249	1.5	368-378	449-459
2028				
I	237-246	1.7	358-368	450-460
II	241-251	1.2	370-382	454-465
III	243-254	1.2	376-390	457-470
IV	238-250	1.2	372-387	455-470
Year	235-255	1.4	367-382	452-467



Where We Are: Record Prices, Multi-Decade Herd Decline, & Record Beef Demand

*"All prosperity in the cattle and beef industry comes from consumers."
— Schroeder & Tonsor, AAEA 2026*

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

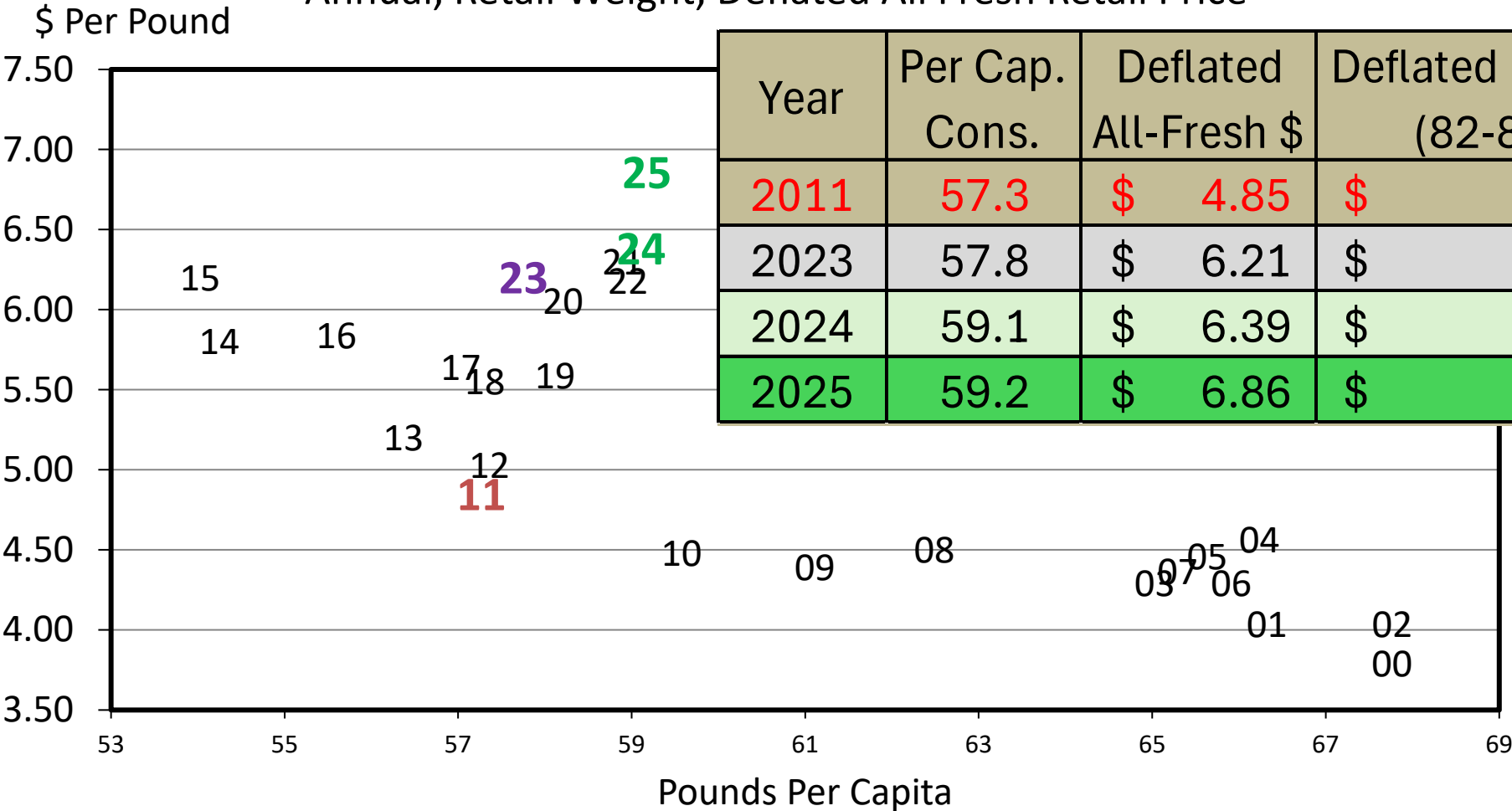
~25% general inflation over the same span

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

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

BEEF PRICE-QUANTITY RELATIONSHIP

Annual, Retail Weight, Deflated All Fresh Retail Price



Data Source: Bureau of Economic Analysis & USDA-ERS, Compiled by LMIC

Livestock Marketing Information Center

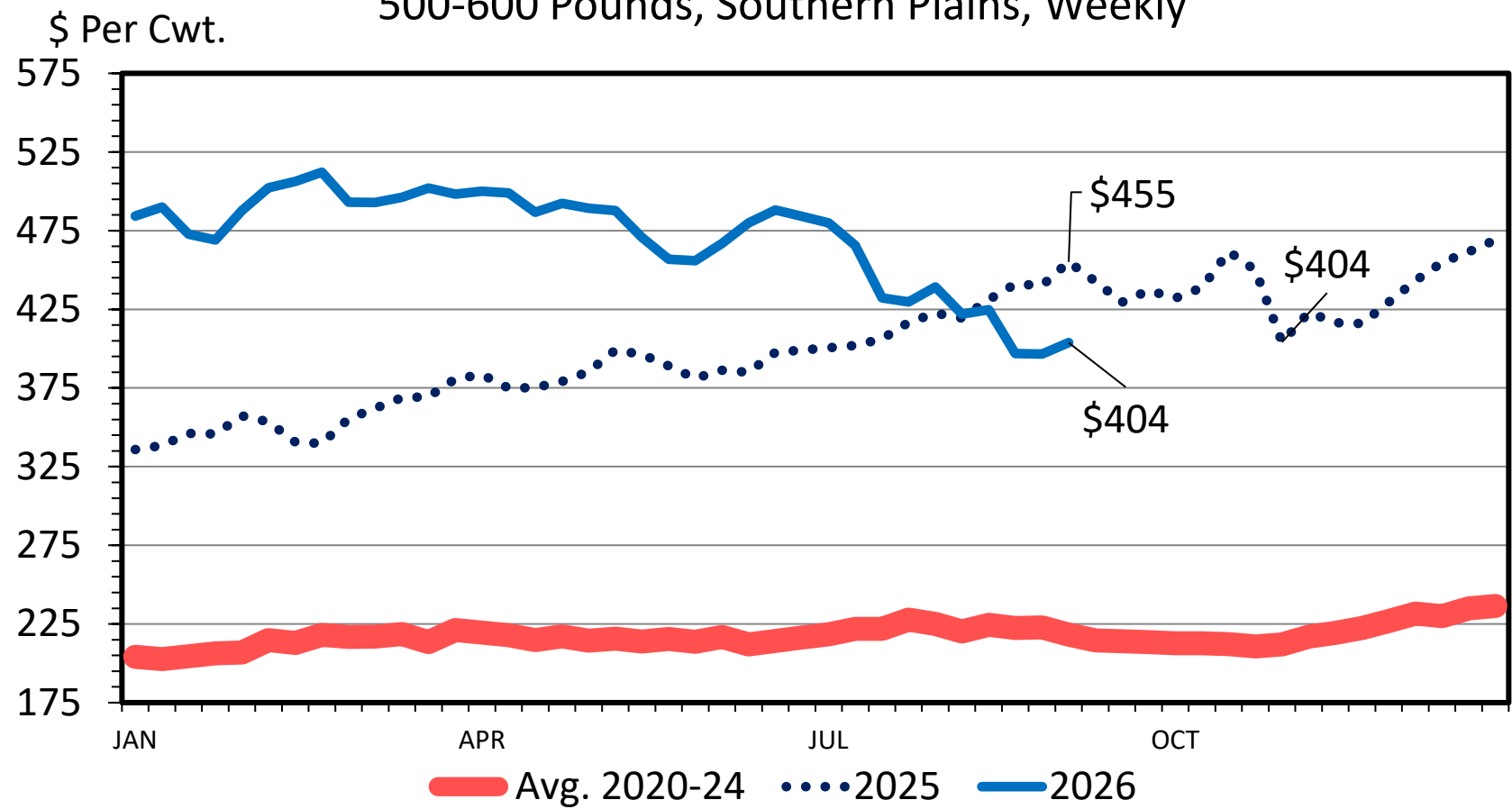
C-P-65A
07/16/26

*"All prosperity in the cattle and beef industry comes from consumers."
— Schroeder & Tonsor, AAEA 2026*

2026 Calf Prices: Above 2025 All Year — Until late Summer

MED. & LRG. #1 STEER CALF PRICES

500-600 Pounds, Southern Plains, Weekly



\$371 / cwt

**BeefBasis.com Salina
fall-calf projection**

600-lb steer calves sold at
weaning 10/14/2026 (as of
9/23/26) ≈ \$2,226/head

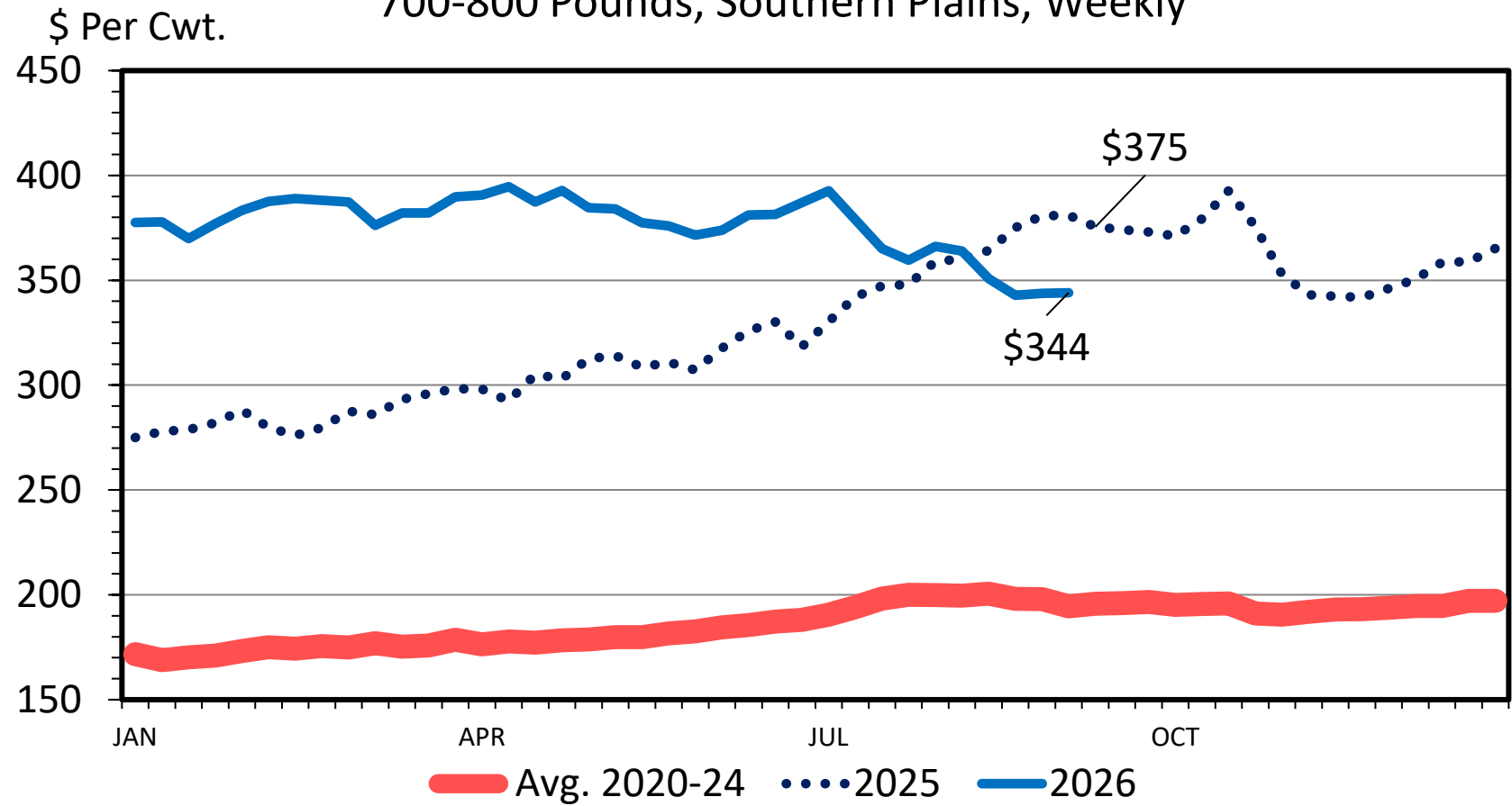
The recent break is a
reminder that elevated
market levels come
with record-sized, \$/hd
swings

Chart: LMIC (USDA-AMS data), Med. & Lrg. #1 steer calves 500-600 lbs, Southern Plains, weekly (native, editable chart object).

2026 Feeder Steer Prices: Well Above 2025 Through Early Summer

MED. & LRG. #1 FEEDER STEER PRICES

700-800 Pounds, Southern Plains, Weekly



Feeders led the 2025-26 rally...

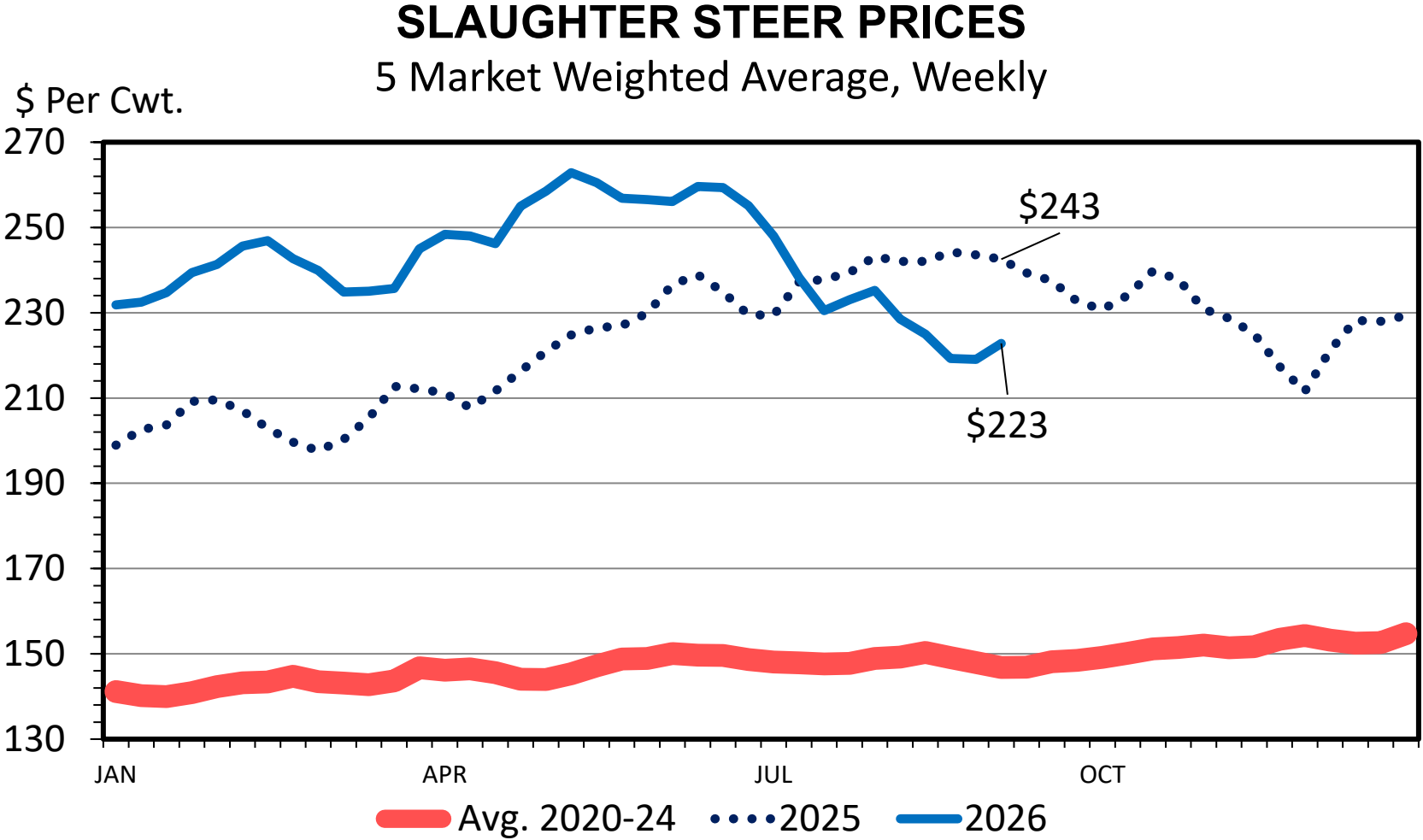
Tight calf crops (2025: smallest since 1941) plus prospects of heifer retention squeeze the feeder pool

...and feeders present feedlot risk

A ~\$360+/cwt feeder placed against sub-\$220 fed futures is key source of projected 2026-27' feeding losses

Chart: LMIC (USDA-AMS data), Med. & Lrg. #1 feeder steers 700-800 lbs, Southern Plains, weekly (native, editable chart object).

Fed Cattle: 2026 Peaked Mid-Year



Record highs in early summer 2026...

Demand strength carried fed cattle well above the 2025 path for 1st 6 months

Chart: LMIC (USDA-AMS data), slaughter steers, 5-market weighted average, weekly (native, editable chart object).

2026 Timeline: Federal Announcements & Fed-Cattle Plant Closures

Federal government announcements (numbered markers on the futures charts)

Jan 2026

USDA “Product of the USA” label requirement takes effect (born, raised, harvested & processed in U.S.)

Mar 2026

USDA: \$20 million in reduced overtime & holiday inspection fees for small meat processors

Aug 21, 2026

300,000 MT of ground beef allowed in without out-of-quota tariffs for 90 days (target: -25% retail price); cattle groups object; futures fall

Sep 4, 2026

Two Executive Orders: cut grazing red tape, review gray wolf delisting, stricter Packers & Stockyards enforcement, explore restoring COOL

Feb 2026

Presidential proclamation temporarily increases beef imports to reduce consumer costs

Jun 2026

Small Processors Action Plan; \$60M 4th round of Meat & Poultry Processing Expansion Program; ag-innovation order

Aug 31, 2026

USDA Sec. Rollins announces “Ranchers First” initiative: rebuild the domestic herd, expand regional processing

Fed-cattle plant closure announcements (red diamonds P1-P3 on the futures charts)

Jan 2026

Tyson completes permanent shutdown of Lexington, NE beef plant (~5,000 hd/day)

Jun 2026

JBS ends live cattle slaughter at Souderton, PA (~2,000 hd/day); converts to case-ready

Aug 13-15, 2026

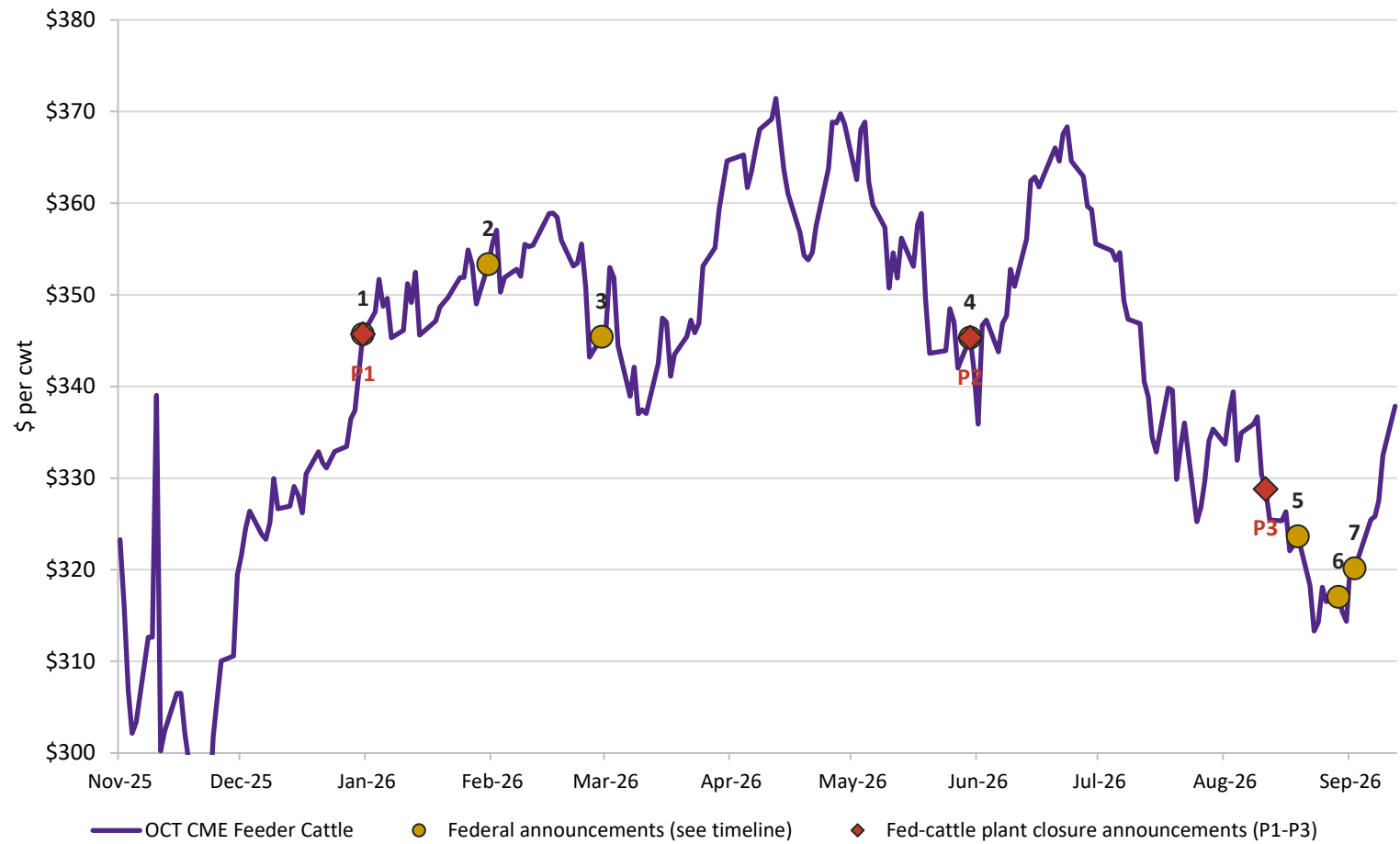
Tyson to close Joslin, IL beef plant (~3,000 hd/day) & Eagle Mountain, UT case-ready plant; seeks sale of Pasco, WA plant

Closures remove ~10,000 hd/day of fed-cattle harvest capacity in 2026.

Sources: USDA/White House releases; Reuters; Drovers; Capital Press; compiled 9/16/2026.

CME October Feeder Cattle Futures: Record Run, a \$65 Break, & 2026 “Key Dates”

Oct-2026 Feeder Cattle Contract, Daily Settle, Nov. 2025 – Sep. 14, 2026 (numbers = federal announcements; P1-P3 = plant closures; see timeline)



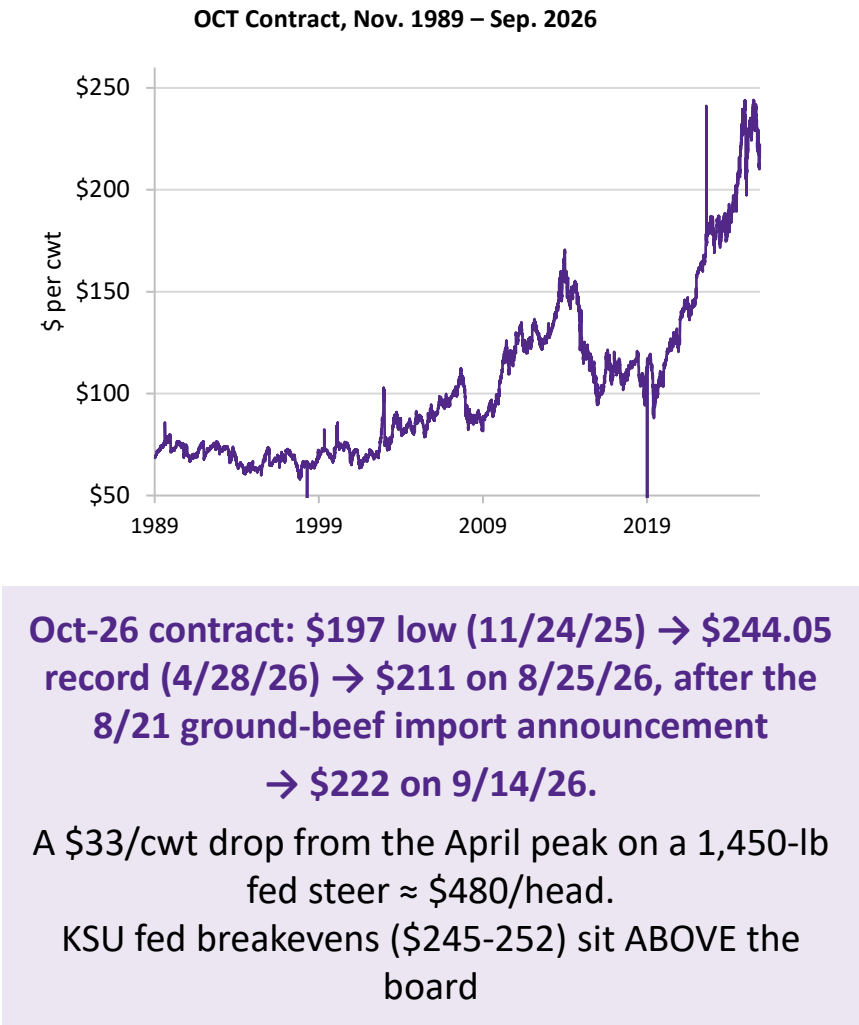
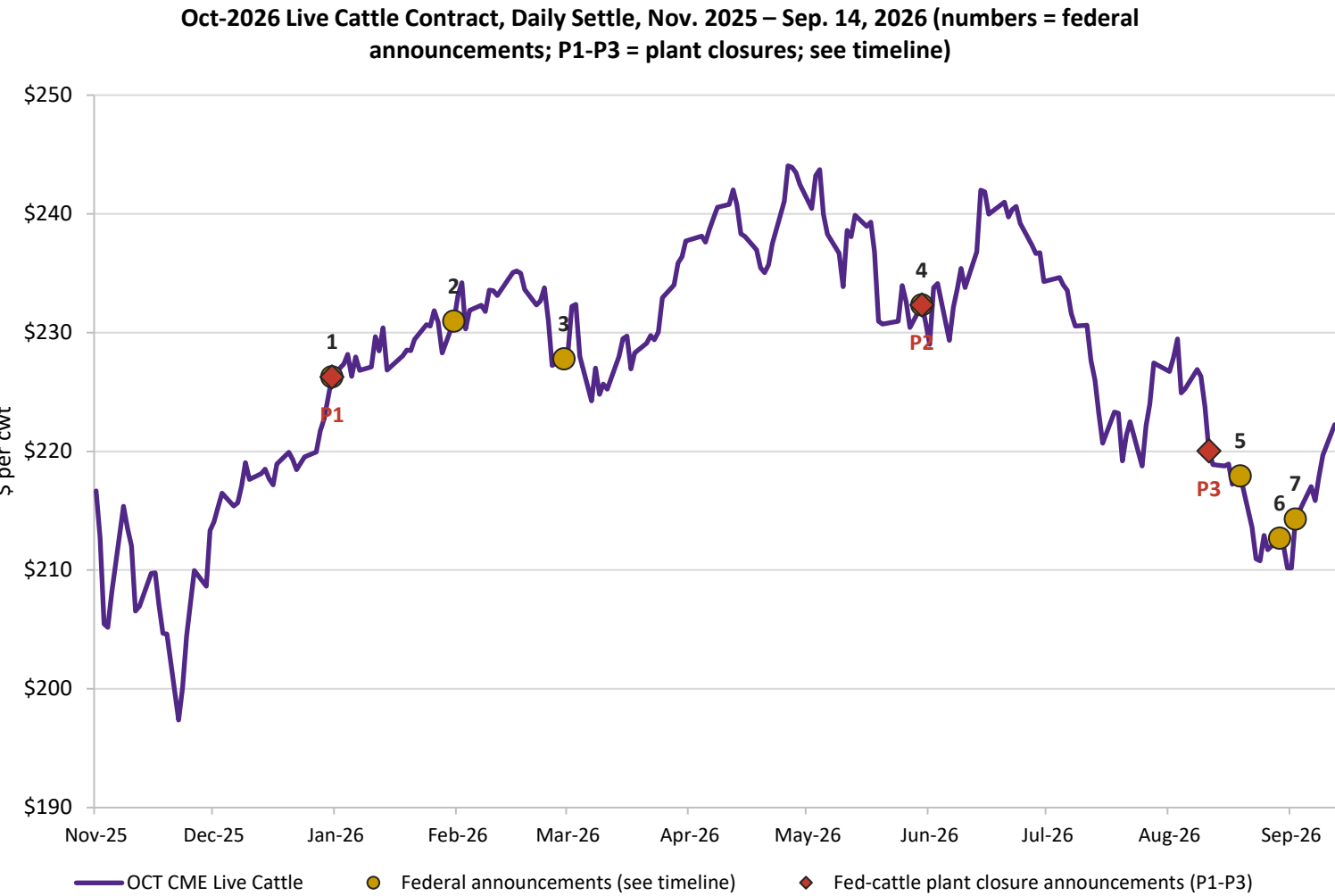
OCT Contract, Nov. 1989 – Sep. 2026



Oct-26: ~\$363 in April → \$313 low on 8/25/26, after the 8/21 ground-beef import announcement
→ \$338 on 9/14/26.
A \$50-65/cwt swing on a 750-lb feeder = \$375-490/head

Source: CME Group feeder cattle futures, October contract daily settlements (feederfutures.xlsx, tab A col. I, pulled 9/15/2026). Jan/Feb/Mar/Jun events plotted at first trading day of the month.

CME October Live Cattle Futures: \$244 April Peak, \$211 August Low, & 2026 “Key Dates”



Source: CME Group live cattle futures, October contract daily settlements (fatfutures.xlsx, tab A col. K, pulled 9/15/2026). Jan/Feb/Mar/Jun events plotted at first trading day of the month.

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

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.

Why stocker operators should care

- 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)

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

So Why Are Beef Prices Really This High?

Attribution of the 2024 → 2025 retail beef price increase:

DEMAND GROWTH

87%

SUPPLY-SIDE

13%

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

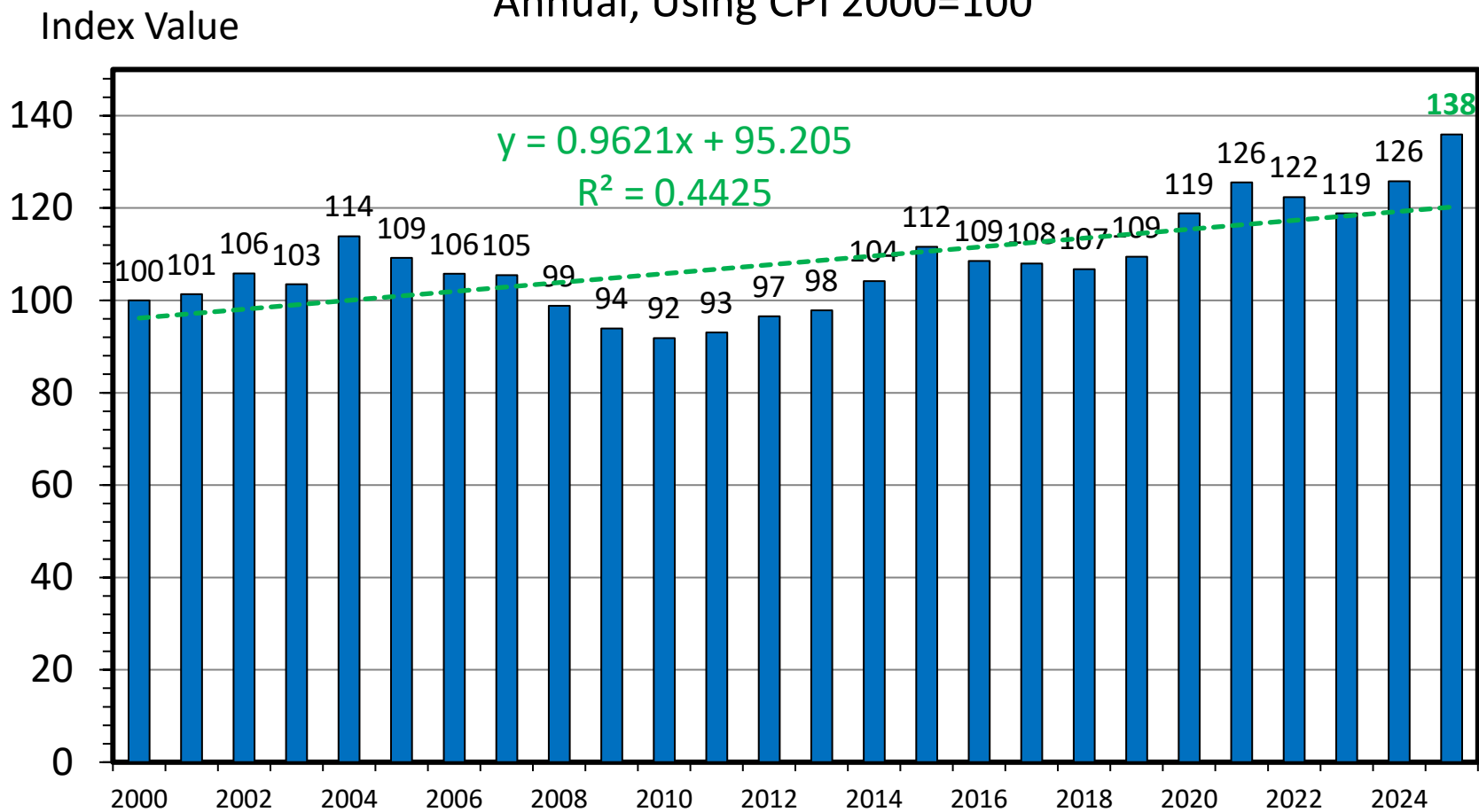
The herd headline explains a small share of record prices; the consumer explains most of it.

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

Retail All-Fresh Beef Demand Index: Record High

RETAIL ALL FRESH BEEF DEMAND INDEX

Annual, Using CPI 2000=100



2025 demand index

Strongest consumer beef demand in the modern record; +16% since 2020

2010→2025

Long-term demand growth

Data: BLS & USDA-ERS, compiled & analysis by LMIC. Annual, deflated using CPI.

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 prices respond more than fed prices, 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.

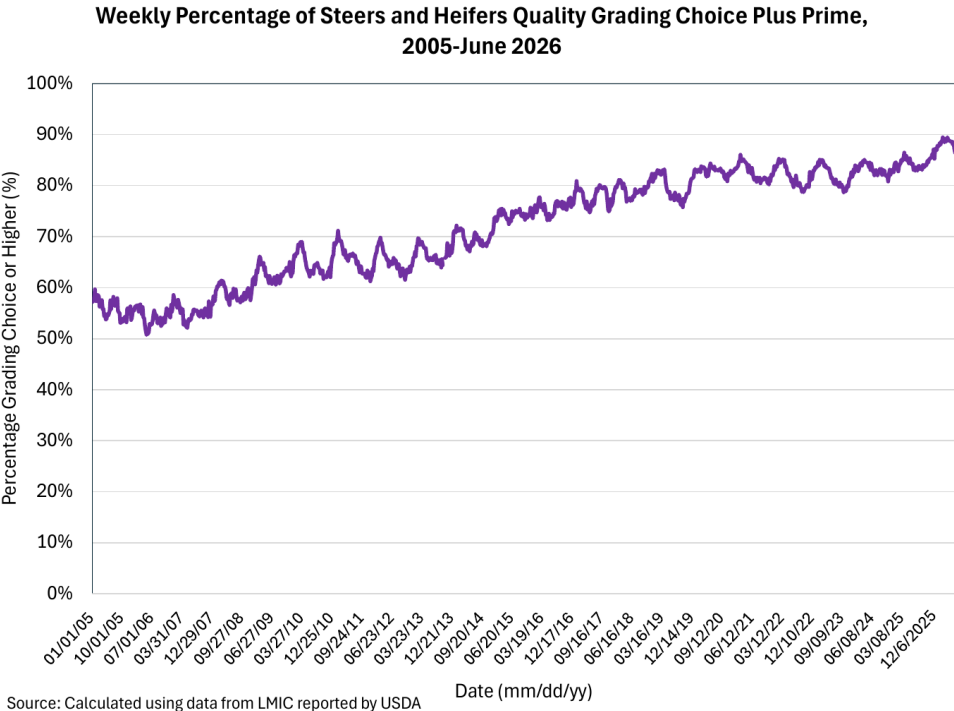
More pounds moving at HIGHER inflation-adjusted prices = demand growth — exactly what 2024, 2025, and 2026-to-date delivered for beef.

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



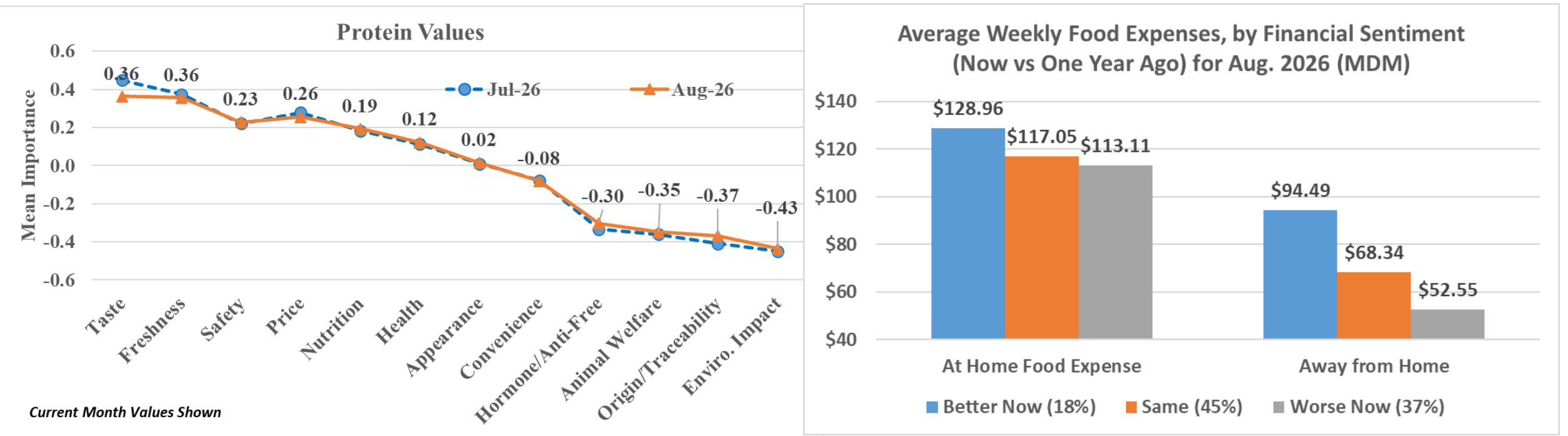
Beef demand grew despite substantial headwinds by producing what people wanted

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

Market signals → industry change → better product → better demand → better price. **#LetMarketsWork**

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

Consumer Signals: Taste & Freshness Lead; Finances Are K-Shaped



KSU Meat Demand Monitor: Taste, Freshness & Price anchor purchasing decisions

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

— the “worse now” group spends ~\$53/week away from home vs. ~\$94 for the “better now” group.

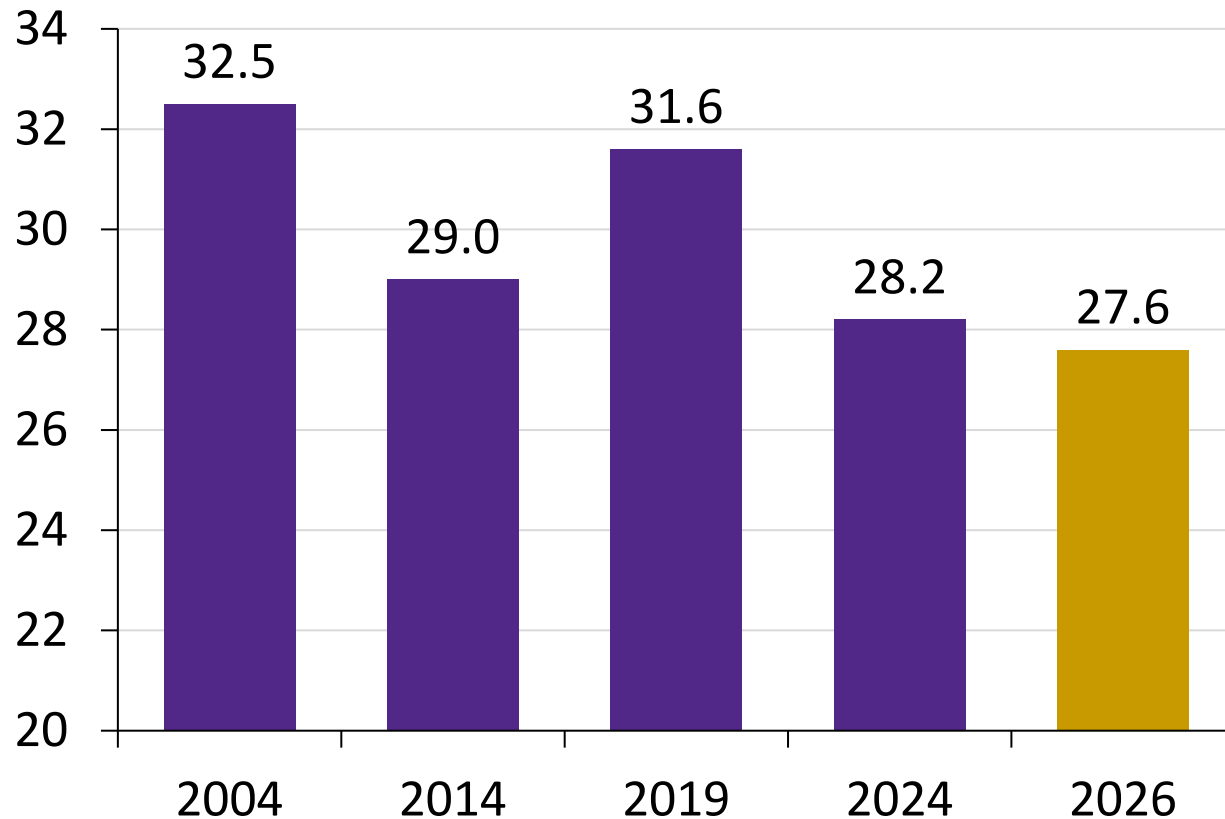
Source: KSU Meat Demand Monitor, July 2026 — agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data

Supply: Fewer Cows $\neq$ Less Beef

"Wait Glynn, I thought we were short on beef cows..."

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

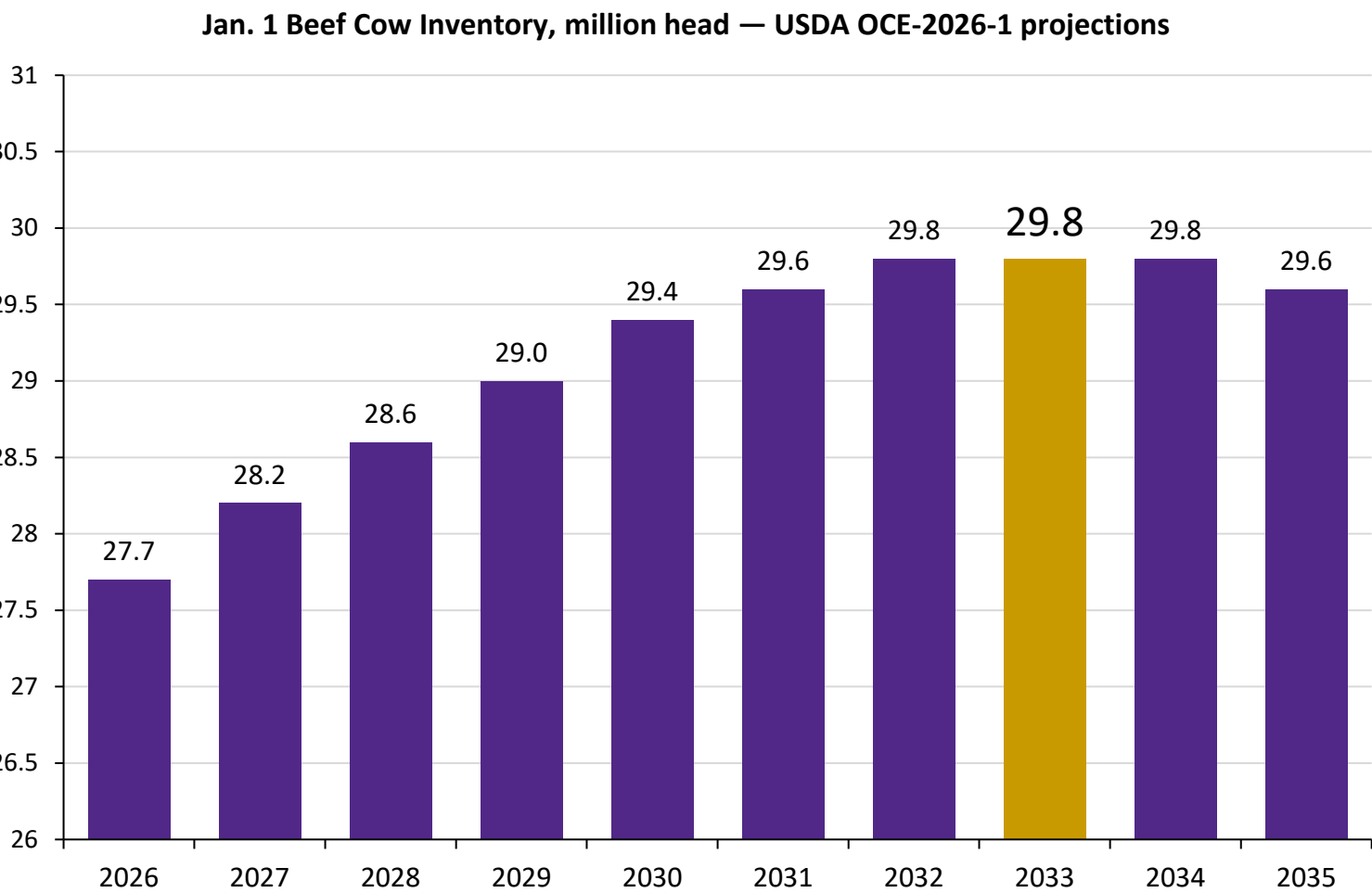
Jan. 1 Beef Cow Inventory, Selected Years
(USDA-NASS, million head)



- **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).

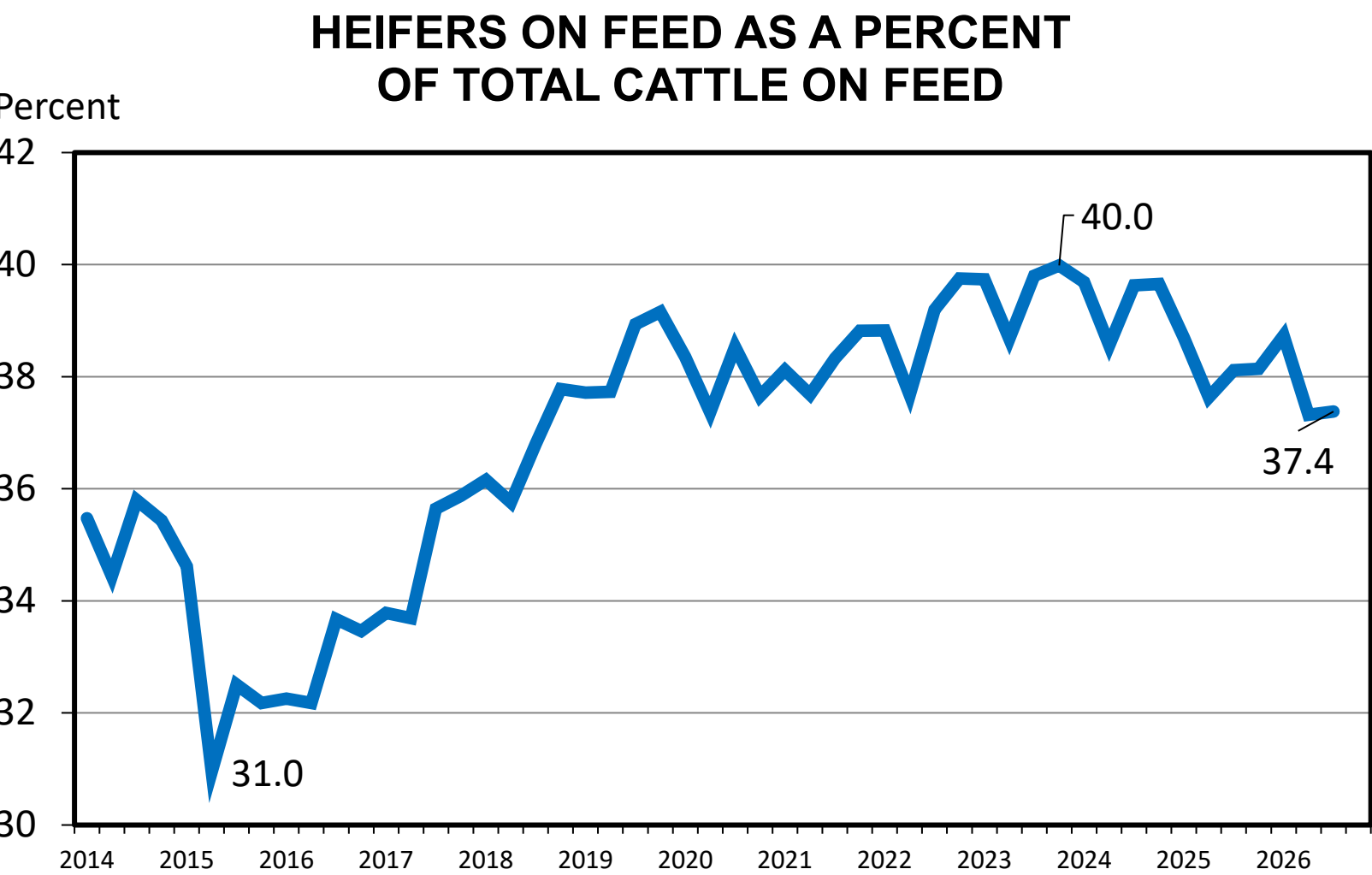
Herd Rebuild Ahead: USDA Projects Beef Cows Growing Into 2033



+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.

Rebuild Monitoring: Heifers as a Share of Cattle on Feed



~38%

Heifers on feed, 2026

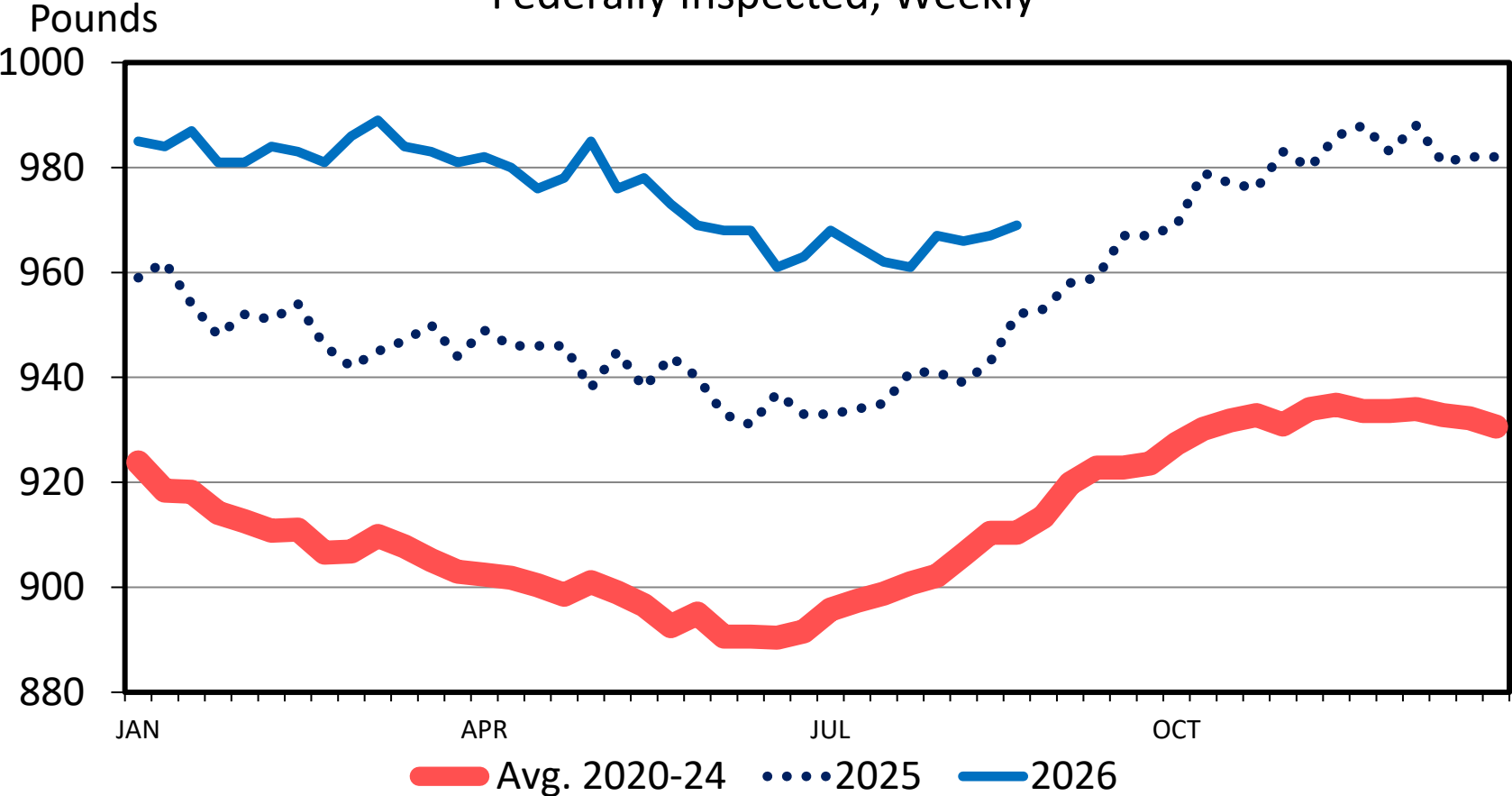
Down from ~40% peaks;
well above low 30s...

Data: USDA-NASS Cattle on Feed, compiled by LMIC. Beginning of quarter.

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.

Margins:

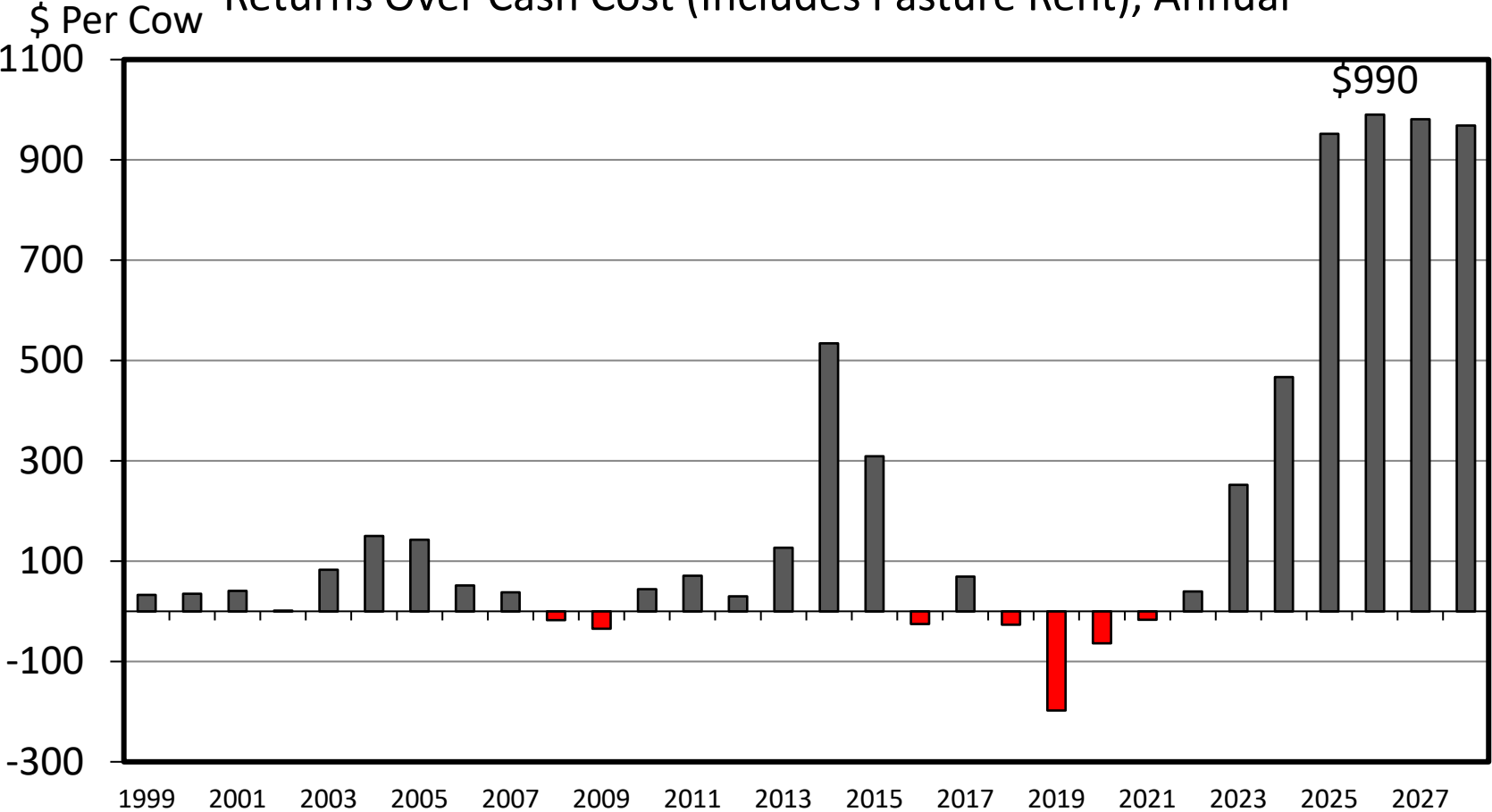
Record Returns, Record Dollars at Risk

Cow-calf, stocker/backgrounder, and cattle feeding — segment by segment

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

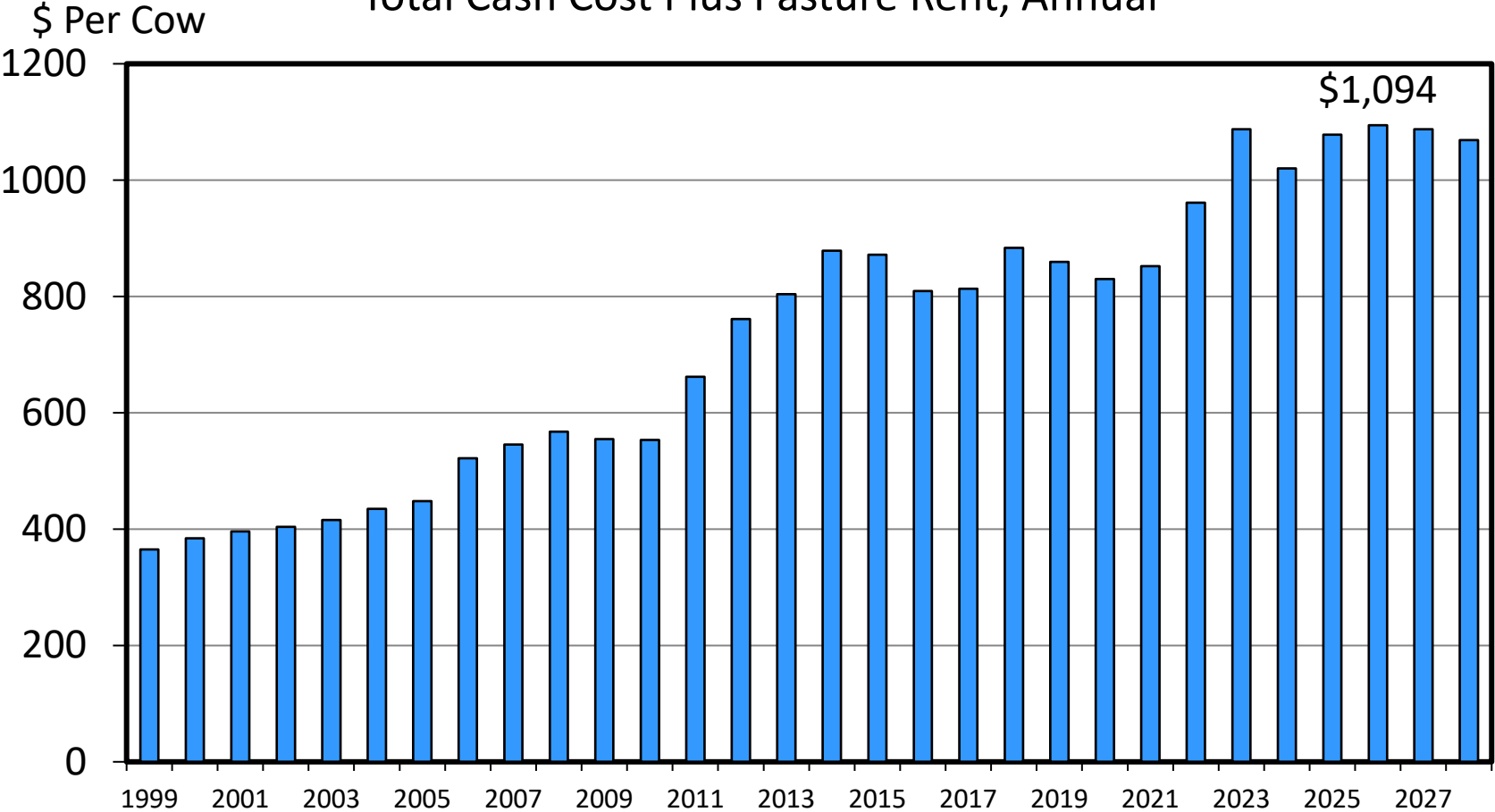
returns over variable costs
range— know YOUR numbers as
costs vary WIDELY

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

Cow-Calf: Costs Are Also at Records

ESTIMATED AVERAGE COW CALF COSTS

Total Cash Cost Plus Pasture Rent, Annual



KFMA \$/cow	2020-24	2025
Gross income	\$1,096	\$2,140
Total expense	\$1,266	\$1,804
Feed cost	\$591	\$742
Feed % var. cost	67%	61%
Net Return above Var. Cost	\$221	\$919

“Push the pencil” on replacement females:
KSU Beef Replacement Tool
(agmanager.info).

Chart: LMIC estimated average cow-calf costs (total cash cost + pasture rent), annual. Table: KFMA 2025 enterprise summary.

Want Feeder Cattle Price, Basis, & VOG Projections?

Use [BeefBasis.com](https://beefbasis.com)

Salina **BACKGROUND** Market, as of 9/23/26

10/14/2026 Buy/Retain @ 600 lbs.

1/13/2027 Sell @ 725 lbs

ADG=1.4

- *Expected Buy/Retain Price: \$371/cwt*
 - *Expected Sell Price: \$327/cwt*
 - *VOG: \$115/cwt (\$144/head)*

Want Feeder Cattle Price, Basis, & VOG Projections?

Use BeefBasis.com

*Salina **SUMMER GRASS** Market, as of 9/23/26*

4/7/2027 Buy/Retain @ 725 lbs

8/18/2027 Sell @ 925 lbs

DOF=133 & ADG=1.5

- *Expected Buy/Retain Price: \$323/cwt*
 - *Expected Sell Price: \$291/cwt*
 - *VOG: \$173/cwt (\$346/head)*

Cattle Feeding, Projected Margins

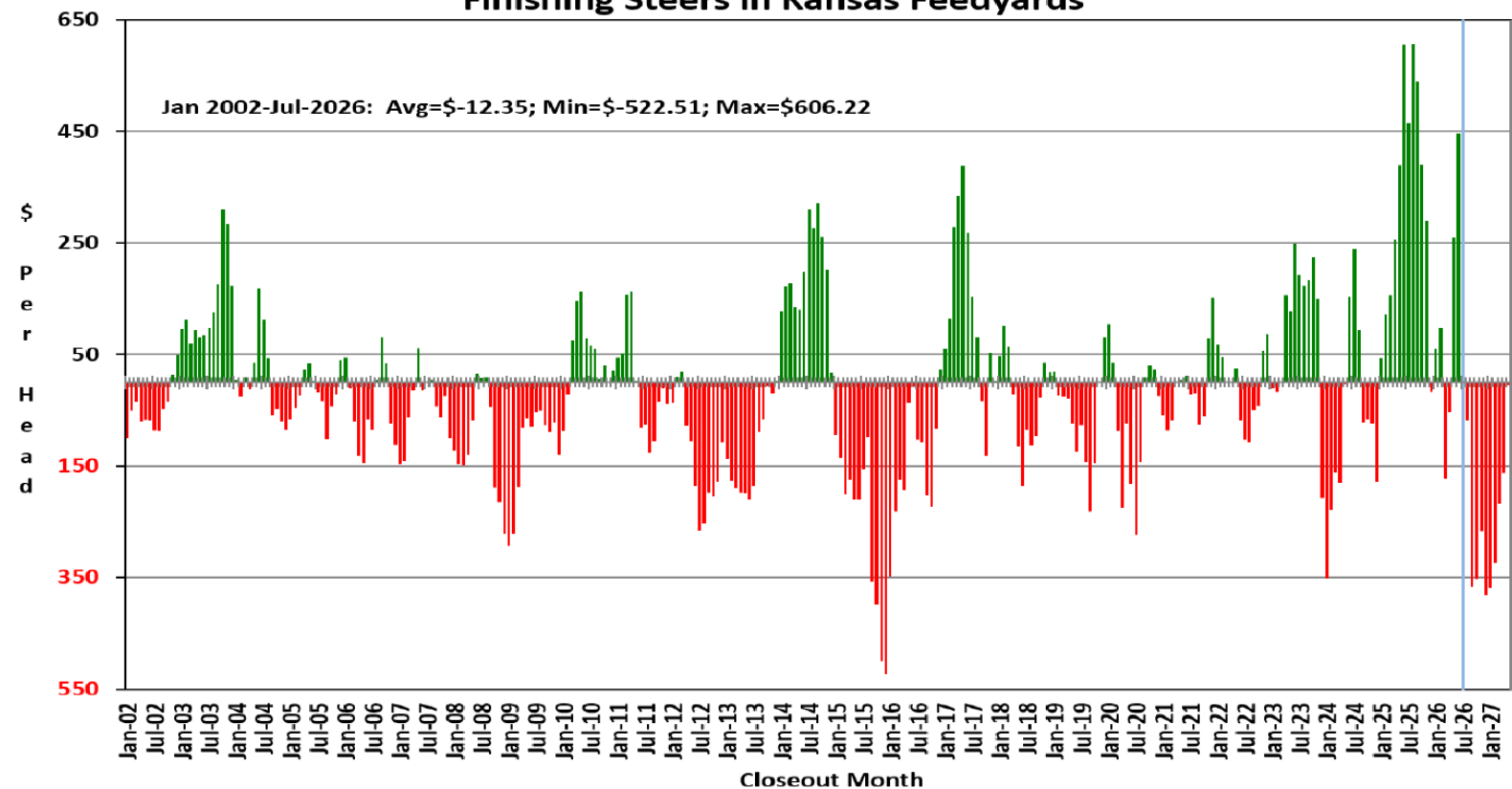
Table 1. Projected Values for Finishing Steers in Kansas Feedyards*

Closeout Mo-Yr	Net Return	FCOG**	Fed Price	Fed Futures	Fed Basis	Feeder Price	Breakeven FCOG**	Breakeven Fed Price	Breakeven Feeder Price
Aug-26	\$ (69.11)	94.14	226.61	225.85	0.76	345.26	84.90	231.07	336.63
Sep-26	\$ (366.51)	94.35	223.81	222.25	1.56	368.92	44.91	247.06	325.02
Oct-26	\$ (352.96)	101.08	226.11	225.15	0.96	360.41	53.15	248.20	319.43
Nov-26	\$ (267.61)	104.10	228.41	225.15	3.26	363.24	68.93	245.36	330.49
Dec-26	\$ (382.17)	109.34	227.82	226.30	1.52	363.12	58.64	251.50	318.69
Jan-27	\$ (368.10)	111.14	226.81	226.30	0.51	361.62	62.70	249.78	317.90
Feb-27	\$ (324.16)	116.72	228.58	227.55	1.03	361.21	74.46	249.20	320.92
Mar-27	\$ (218.61)	115.32	229.74	227.55	2.19	348.64	86.32	243.67	321.82
Apr-27	\$ (163.29)	113.87	223.55	221.68	1.88	330.26	92.02	233.95	310.41
May-27	\$ (5.51)	112.90	227.39	221.68	5.72	325.57	112.18	227.75	324.87

Source: KSU Dept. of Ag Economics, Historical & Projected Kansas Feedlot Net Returns (agmanager.info), projections as of 9/14/2026 — cash market, no risk management.

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 ~ -\$12/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 (9/15/2026); Kansas feedyards, monthly steer closeouts.

Kansas Feedlot Reality: More Pounds, More Days, More Capital per Head

KSU Focus on Feedlots steer closeouts — annual averages, 2010 vs. 2026 year-to-date (Jan–Jun)

+180 lbs

Added weight per steer

539 → 719 lbs (+33%);
final weights up ~190 lbs while
placement weights held roughly flat

+47 days

Days on feed

149 → 196 days;
ADG unchanged (~3.6) —
extra pounds come from feeding
LONGER, not faster

+44%

Feed used per steer

3,180 → 4,584 lbs dry matter per
head as longer feeding meets poorer
conversion (6.0 → 6.5 F/G)

Each steer ties up more feed, more bunk space, more time — roughly 2x the capital per head of a decade ago.

Sources: Focus on Feedlots, Kansas State University (Jan 2010 – Jun 2026); KSU cattle finishing projections (8/14/26); LMIC Omaha corn.

Outlook & What Could Change the Story

High, flat, volatile — and tied heavily to the consumer

What Could Change the Story — Stocker Watch List

Consumer finances

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

Meat demand strength rests on employment & incomes.

Trade & policy

Beef exports -6% on tight supplies while imports grow; tariff “uncertainty”, border adjustments (NW screwworm), and dietary-guideline and personal health/fitness shifts matter.

Rebuild timing & magnitude

Heifer retention squeezes feeder supplies first (fewer feedlot head, tighter occupancy) before expanding them later.

Likely a lower herd size cycle-peak, again.

Margin & buy/sell risk

Record \$ at risk per head; projected red ink in cattle-feeding closeouts into 2027.

Pencil the buy/sell margin & VOG on every set; a \$50/cwt feeder swing ≈ \$375/head on 750 lbs.

Take-Home Messages

1. Demand, more than supply, is carrying record prices
2. Fewer cows $\neq$ less beef: weights, days on feed, and efficiency mute herd headlines; the rebuild is likely coming but slow and partial
3. Cow-calf: record margins, record capital per cow. KFMA, \$756/cow gap between top and bottom thirds is a management gap/opportunity.
4. Record prices = record \$ at risk: pencil breakevens on buy/sell stocker & feedlot margins

A FINANCIAL TIMES
BEST BOOK OF 2020

'... a tour de force.' - Andy Haldane,
Chief Economist, Bank of England

GROW THE PIE



HOW GREAT COMPANIES
DELIVER BOTH PURPOSE
AND PROFIT

ALEX EDMANS

Mindset & Incentives

Let markets work &
"GROW THE PIE"

*quality-driven demand
growth
= \$ prosperity
= protect the
mechanisms that
reward it!*

The
Economist

A new theory of the firm
Tropical Trumpists
Xi's post-covid foreign p
The Age of the Grandma
JANUARY 14TH-20TH 2023

ZERO-SUM

The destructive logic that threatens globalisa



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.