KANSAS STATE UNIVERSITY
Department of Agricultural Economics

BEEF-CATTLE OUTLOOK

Consumer Demand-Driven Prosperity
Record Dollars at Risk
External Shocks Growing

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Four Things to Take Home

1

Historically high prices are a DEMAND story

All-fresh beef demand index: Jan–Sep 2026 strongest of 39 years (+5.7% vs. 2025);
~87% of the 2024→25 retail price rise traces to demand, not fewer cows

2

Fewer U.S. beef cows ≠ less domestic beef production

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 ~$25/cwt under no-grid feeding breakevens in Nov. 2026

4

Shocks, price discovery & data matter

Border & trade policy, fed cattle cash trade & USDA reporting — reliable data matters, is ever-evolving, & warrants broader recognition and support

Full Outlook @ KSU's Stocker Field Day
https://www.youtube.com/watch?v=xXj_nyUrn9A&feature=youtu.be

What's Moved Since Late October

$337

Nov. feeder cattle futures, 11/16 close

vs. ~$348 on 10/23 (same contract);
Jan. 2027 at $333

$220

Dec. live cattle futures, 11/16 close

vs. ~$231 on 10/23 (same contract);
Feb. 2027 at $224

-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

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:

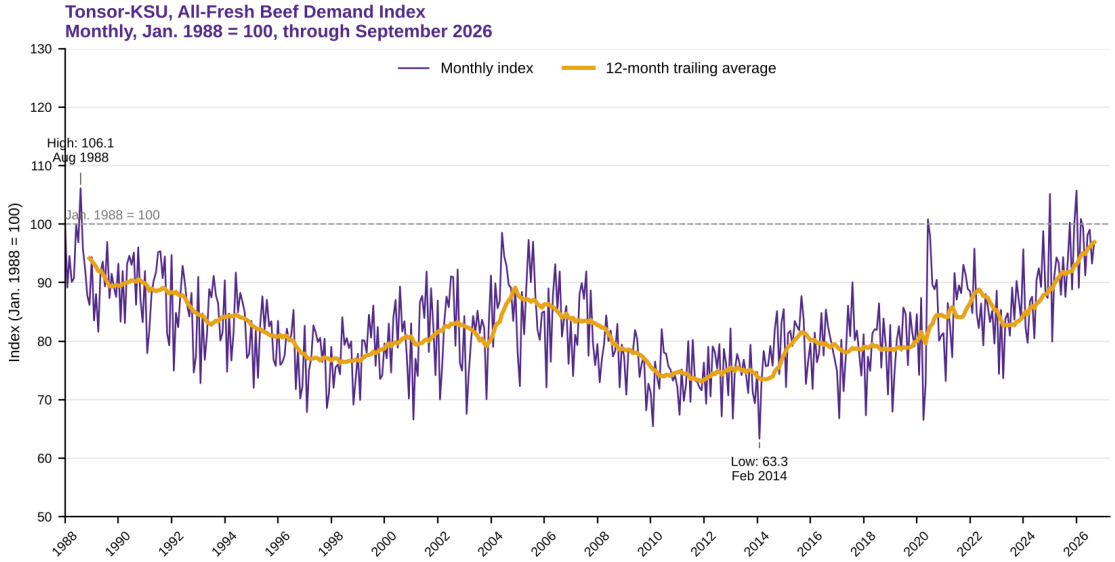


"...and now you know the rest of the story."

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).

Domestic Retail Beef Demand: *Strongest Jan–Sep on Record*



Source: Glynn Tonsor, Kansas State University, AgManager.info (USDA/BLS data). Rising index = consumption above what the observed retail price implied = demand growth.

97.1

Jan–Sep 2026 avg. index (Jan. 1988 = 100):
1st of 39 years

+5.7%

vs. Jan–Sep 2025, itself the 3rd strongest on record

+21.8%

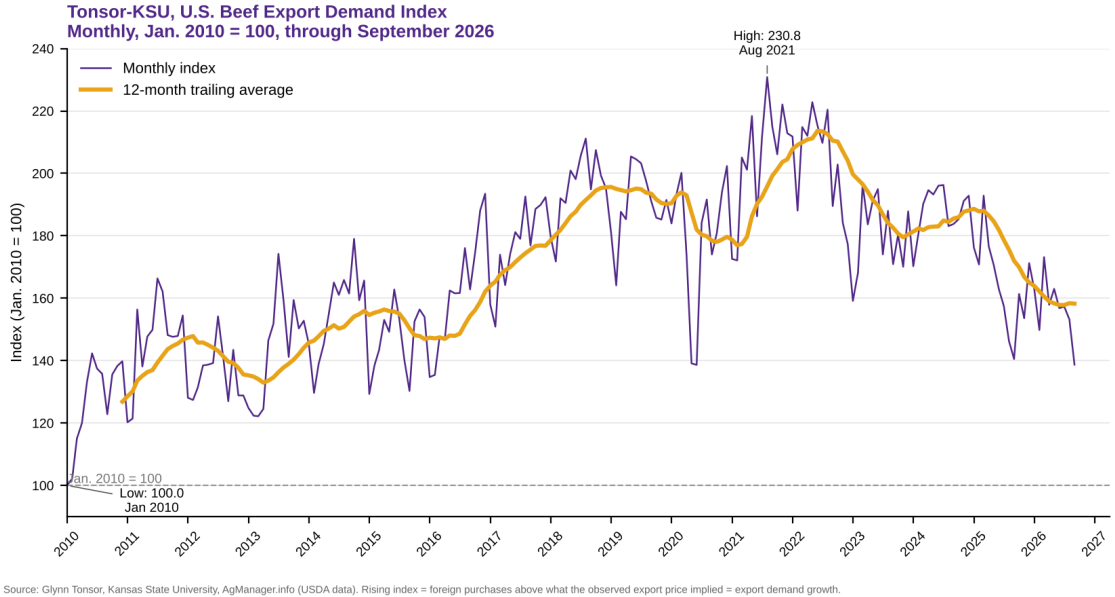
vs. Jan–Sep 2016, near the end of the post-2011 trough

Bottom line: 12-month average of 96.9 (Sept. 2026) is the series high, up from a 73.1 low (Dec. 2011).

Consumers bought more beef than past price-quantity relationships predict = demand growth

Source: Glynn Tonsor, KSU All-Fresh Beef Demand Index, AgManager.info (USDA/BLS data); data through Sept. 2026, summary dated 11/12/26.

Beef Export Demand: Weakest Jan–Sep Since 2016



Source: Glynn Tonsor, Kansas State University, AgManager.info (USDA data). Rising index = foreign purchases above what the observed export price implied = export demand growth.

157.0

Jan–Sep 2026 avg. index (Jan. 2010 = 100):
10th of 17 years

-5.5%

vs. Jan–Sep 2025; the gap narrowed as 2026 progressed

-22.1%

vs. Jan–Sep 2021, the series peak year

Bottom line: 12-month average of 158.2 (Sept. 2026) is back to its 2016 level, down from a 213.6 peak (June 2022).
Foreign buyers took less U.S. beef than past price-quantity relationships predict =a 4th year of weaker export demand.

Source: Glynn Tonsor, KSU U.S. Beef Export Demand Index, AgManager.info (USDA data); data through Sept. 2026, summary dated 11/12/26.

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:

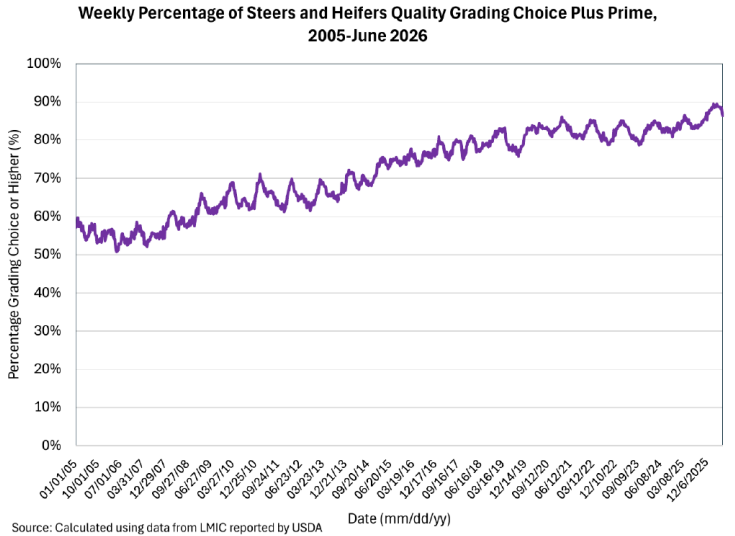
exactly what 2024 & 2025 delivered for beef.

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, AAEA Meetings, Kansas City 2026 (USDA-AMS / LMIC data).

Nothing Happens in a Vacuum: How Beef Demand and Grid Pricing Reshaped the Cattle Market

K-State economist Glynn Tonsor explains why record cattle prices and surging beef quality are the result of decades of market signals — and why today's cash-trade reporting hurdles are a natural consequence of that evolution.

By **Angie Stump Denton** · November 12, 2026 12:34 PM

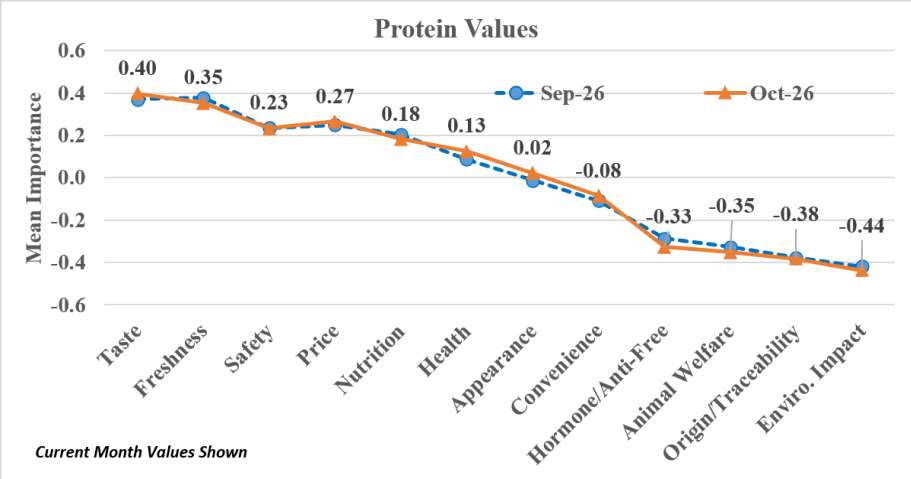


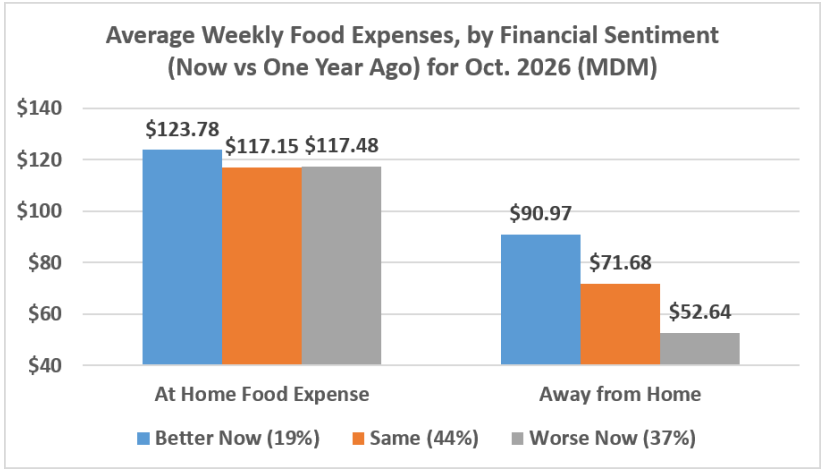
(Farm Journal)

https://lmic.info/wp-content//lmic-files/lmic-data/memberspublic/Resources/Publications/InTheCattleMarket/2026/cattlemarkets110226.pdf

https://www.drovers.com/news/industry/nothing-happens-vacuum-how-beef-demand-and-grid-pricing-reshaped-cattle-market

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





KSU Meat Demand Monitor, Oct. 2026:

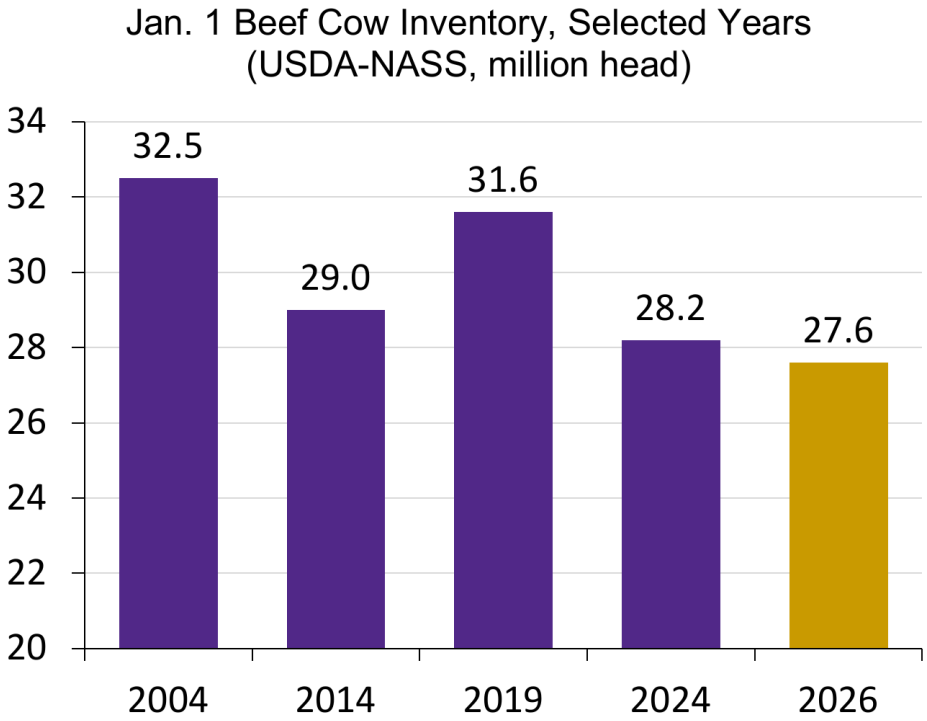
Taste, Freshness, Price & Safety anchor protein purchases; 48% rank Price a top-4 factor vs. 21% bottom-4.

Only 19% report improving finances vs. 37% worse.

The "worse now" group spends ~$53/week away from home vs. ~$91 for "better now"

Source: KSU Meat Demand Monitor, October 2026 (released 10/30/26), agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data

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

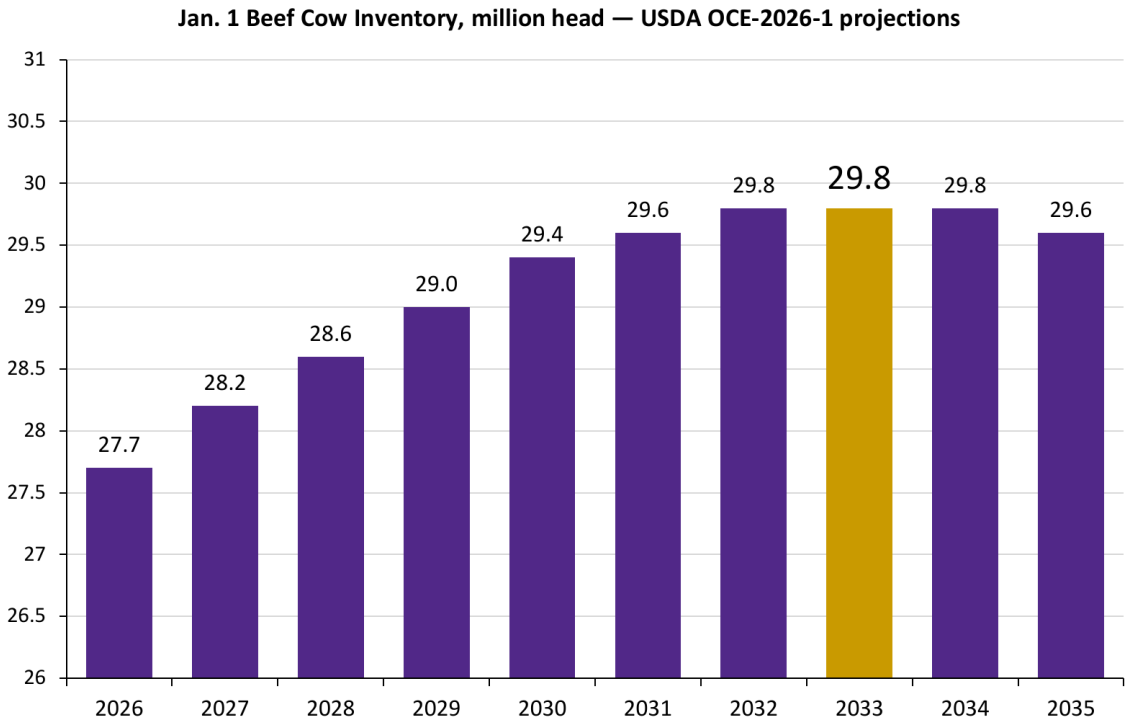


- **Jan. 2026: 86.2M all cattle; 27.6M beef cows (-1%) — liquidation slowed**
- 2025 calf crop: 32.9M head — smallest since 1941
- Shrinking herd is NOT new: -167k cows/yr since 1965; -198k/yr since 1996
- July 2026 inventory showed early signs of stabilization

- **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

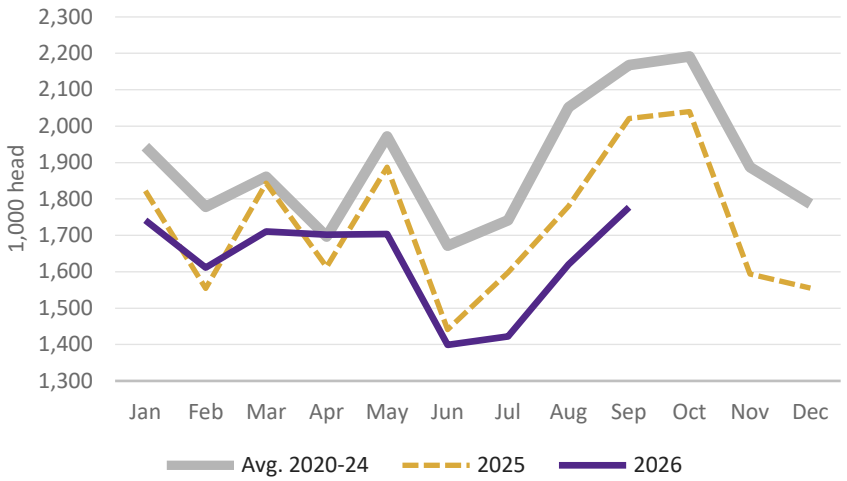
beef cows by the 2033 peak

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

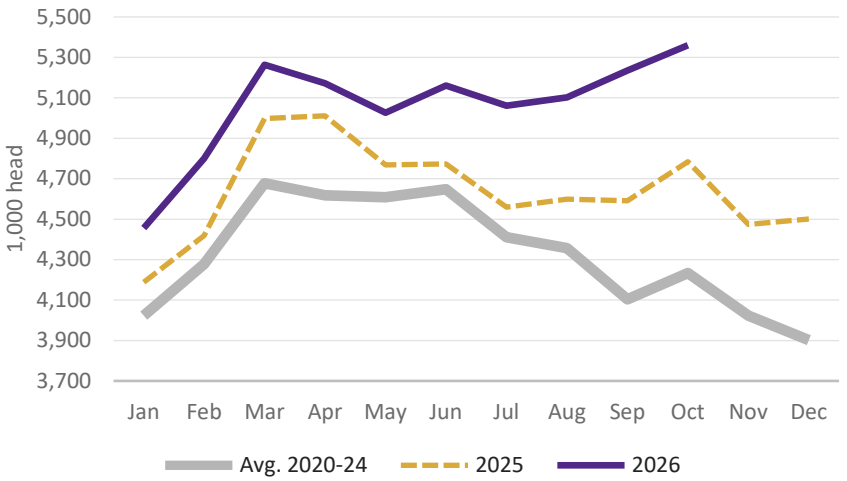
Source: USDA Agricultural Projections to 2035 (OCE-2026-1, Feb. 2026), Tables 19-21; projections completed Nov. 2025.

Feedlots: Fewer Cattle Coming In, Cattle Staying Longer

Feedlot Placements, U.S. Monthly



Cattle on Feed Over 120 Days, U.S. Monthly



-12% Sept. placements vs. 2025 (1.78M head; -18% vs. 2020-24 avg.)

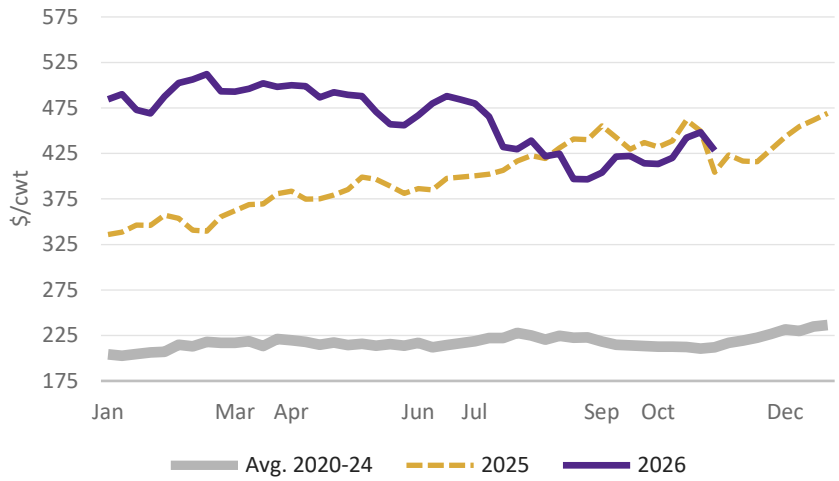
+12% On feed > 120 days, Oct. 1 vs. 2025 (5.36M head)

37.8% Heifers share of cattle on feed, Oct. 1 (38.1% a year ago)

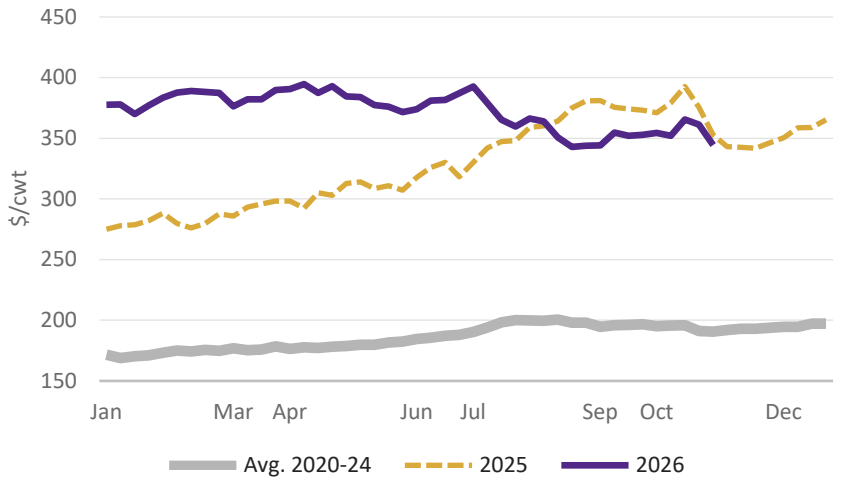
Data: USDA-NASS Cattle on Feed (Oct. 23, 2026 release), compiled by LMIC; 1,000+ head capacity feedlots.

Calf & Feeder Prices: Record Levels, Calves Back Above 2025

Steer Calves 500-600 lb, Southern Plains, Weekly



Feeder Steers 700-800 lb, Southern Plains, Weekly



$428/cwt

Calves, latest week: +6% vs. same week 2025 ($404); ~2.0x the 2020-24 average

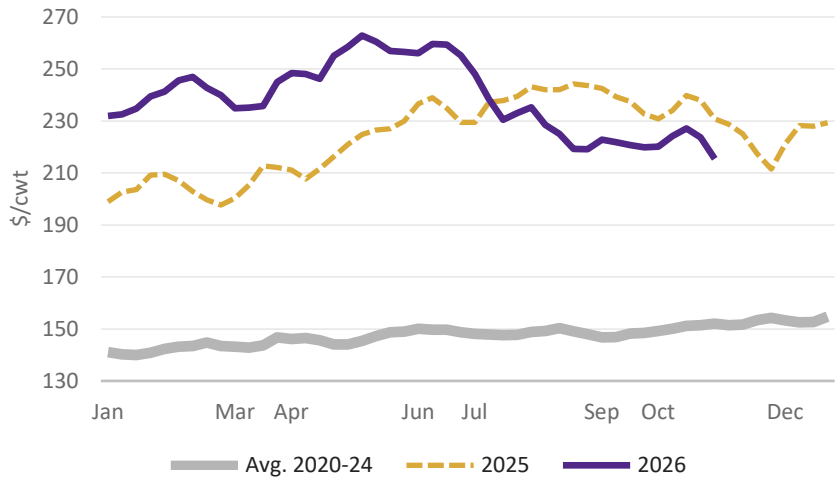
$344/cwt

Feeders, latest week: -2% vs. same week 2025 ($353); ~1.8x the 2020-24 average

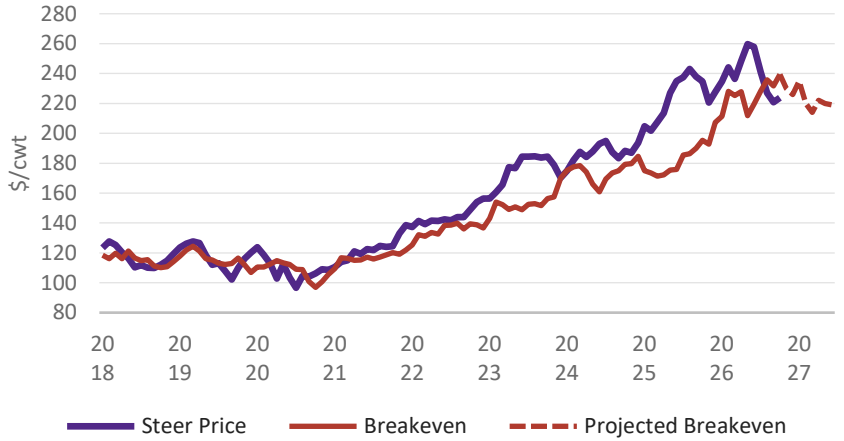
Data: USDA-AMS, Med. & Lrg. #1 steers, Southern Plains, weekly; compiled by LMIC (11/9/26).

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

Slaughter Steers, 5-Market Weighted Avg., Weekly



Choice Steer Price vs. Feeding Breakeven, S. Plains, Monthly



-$26/cwt

Nov. 2026 Choice steer ($222) vs. breakeven ($248): ≈ -$400/head

Data: USDA-AMS & USDA-NASS, compiled & analysis by LMIC (11/9/26 & 11/10/26). Projected breakeven (dotted) runs through mid-2027.

Quarterly Forecasts (LMIC: Nov. 9, 2026)

Year Quarter	Comm'l Slaughter (1,000 hd)	% Chg. from Year Ago	Average Dressed Wt. (lbs.)	% Chg. from Year Ago	Comm'l Beef Production (mil. lbs.)	% 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	6,911	-5.8	883.4	1.9	6,105	-4.0
IV	7,118	-4.9	904.5	1.9	6,438	-3.1
Year	**27,820**	**-6.6**	**893.1**	**2.3**	**24,845**	**-4.5**
2027						
I	6,562	-4.7	907.2	1.6	5,952	-3.2
II	6,589	-4.6	910.3	2.2	5,998	-2.5
III	6,602	-4.5	899.9	1.9	5,942	-2.7
IV	6,784	-4.7	924.3	2.2	6,271	-2.6
Year	**26,537**	**-4.6**	**910.5**	**2.0**	**24,163**	**-2.7**
2028						
I	6,316	-3.7	920.9	1.5	5,817	-2.3
II	6,339	-3.8	929.1	2.1	5,890	-1.8
III	6,368	-3.5	916.5	1.8	5,837	-1.8
IV	6,514	-4.0	944.2	2.2	6,151	-1.9
Year	**25,538**	**-3.8**	**927.8**	**1.9**	**23,694**	**-1.9**

Data Source: Livestock Marketing Information Center

Quarterly Forecasts (LMIC: Nov. 9, 2026) *Dressed Weights & Imports Mitigating Domestic Production Decline in 2023-2026*

Year	Comm'l Slaughter (1,000 hd)	% Chg. from Year Ago	Average Dressed Wt. (lbs.)	% Chg. from Year Ago	Comm'l Beef Production (mil. lbs.)	% Chg. from Year Ago	Per Capita Cons. (lbs., retail wt.)	% Chg. from Year Ago
2022	34,325	1.4	824	-0.2	28,291	1.2	59.0	0.1
2023	32,844	-4.3	821	-0.4	26,967	-4.7	57.8	-2.0
2024	31,830	-3.1	848	3.3	26,984	0.1	59.1	2.3
2025	**29,795**	**-6.4**	**873**	**2.9**	**26,003**	**-3.6**	**59.2**	**0.1**
2026 (f)	**27,820**	**-6.6**	**893**	**2.3**	**24,845**	**-4.5**	**59.1**	**-0.1**
2027 (f)	26,537	-4.6	911	2.0	24,163	-2.7	57.2	-3.2
2028 (f)	25,538	-3.8	928	1.9	23,694	-1.9	56.1	-2.1

Data Source: Livestock Marketing Information Center

Quarterly Forecasts: Cattle (LMIC: Nov. 9, 2026)

Year Quarter	Live Sltr. Steer 5-Mkt Avg. ($/cwt)	% Chg. from Year Ago	Feeder Steers S. Plains 7-800# ($/cwt)	Steer Calves S. Plains 5-600# ($/cwt)
2026				
I	238.65	16.4	381.49	492.41
II	255.76	13.6	382.86	481.38
III	230.82	-3.7	359.57	427.91
IV	225-227	-0.7	357-359	429-431
Year	**233-243**	**6.1**	**368-372**	**456-460**
2027				
I	237-241	0.1	357-362	452-456
II	242-247	-4.4	368-375	458-463
III	243-249	6.6	381-389	459-466
IV	241-248	8.2	379-388	460-468
Year	**239-249**	**2.5**	**370-380**	**455-465**
2028				
I	242-250	2.9	363-373	454-464
II	244-253	1.6	375-387	458-469
III	246-256	2.0	381-395	461-474
IV	243-254	1.6	377-392	462-477
Year	**241-256**	**1.8**	**372-387**	**457-472**



Data Source: Livestock Marketing Information Center

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

USDA

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

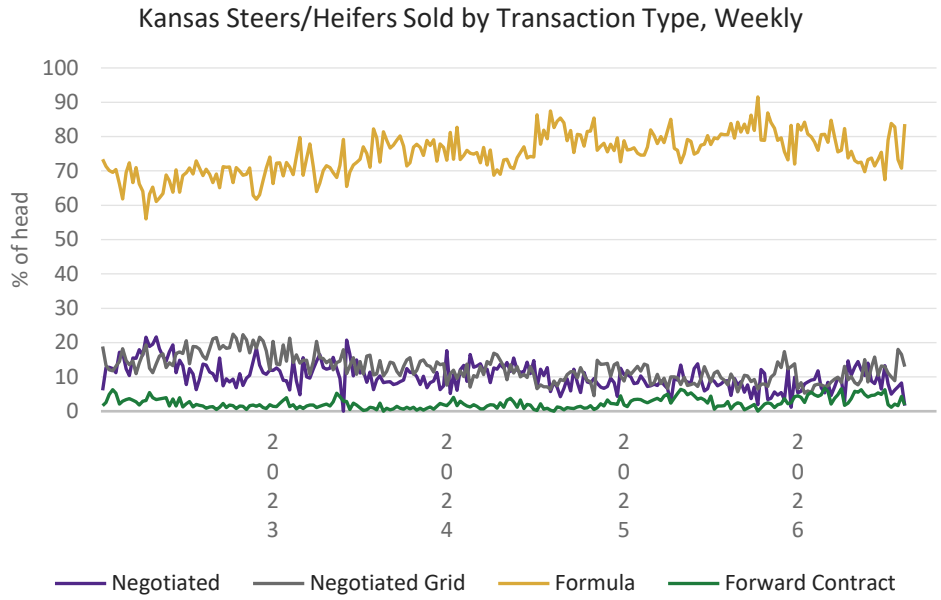
USDA-AMS LM_CT121, 9/17/2026 roundup:

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

- 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

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



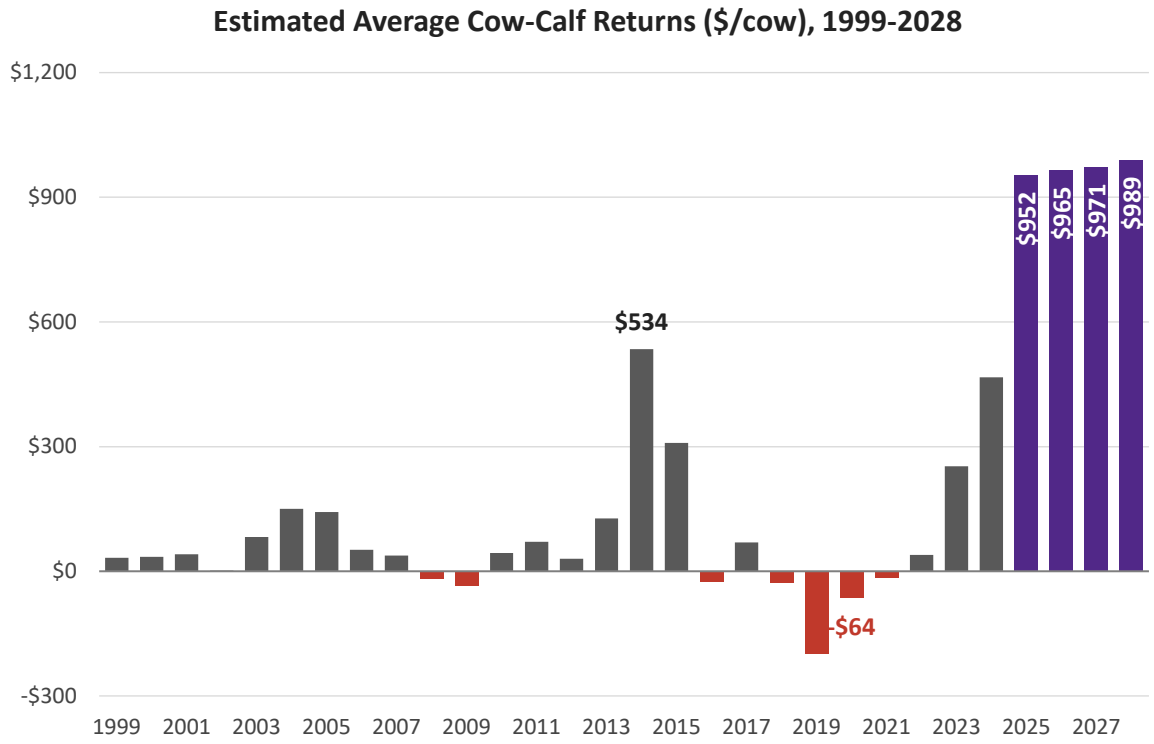
What USDA announced (Oct. 20)

- One new AMS report aggregating negotiated cash trade for CO, TX, NM, OK & KS
- Started w/ afternoon reports 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).

Cow-Calf: Record Return Period



> $950 / cow

LMIC est. returns every year 2025-2028

$952 (2025) to $989 (2028);
prior (nominal) record $534 (2014)

$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), estimated average cow-calf returns over cash cost incl. pasture rent, annual; 2026-28 are LMIC forecasts (LMIC annual file, 11/11/26).
KFMA: agmanager.info/kfma/kfma-enterprise-reports

Want Feeder Cattle Price, Basis, & VOG Projections?

Use BeefBasis.com

Salina BACKGROUND Market, as of 11/16/26

11/18/2026 Buy/Retain @ 650 lbs.
1/13/2027 Sell @ 725 lbs
ADG=1.34

- ***Expected Buy/Retain Price: $368/cwt***
- ***Expected Sell Price: $347/cwt***
  - ***VOG: $160/cwt ($120/head)***

Want Feeder Cattle Price, Basis, & VOG Projections?

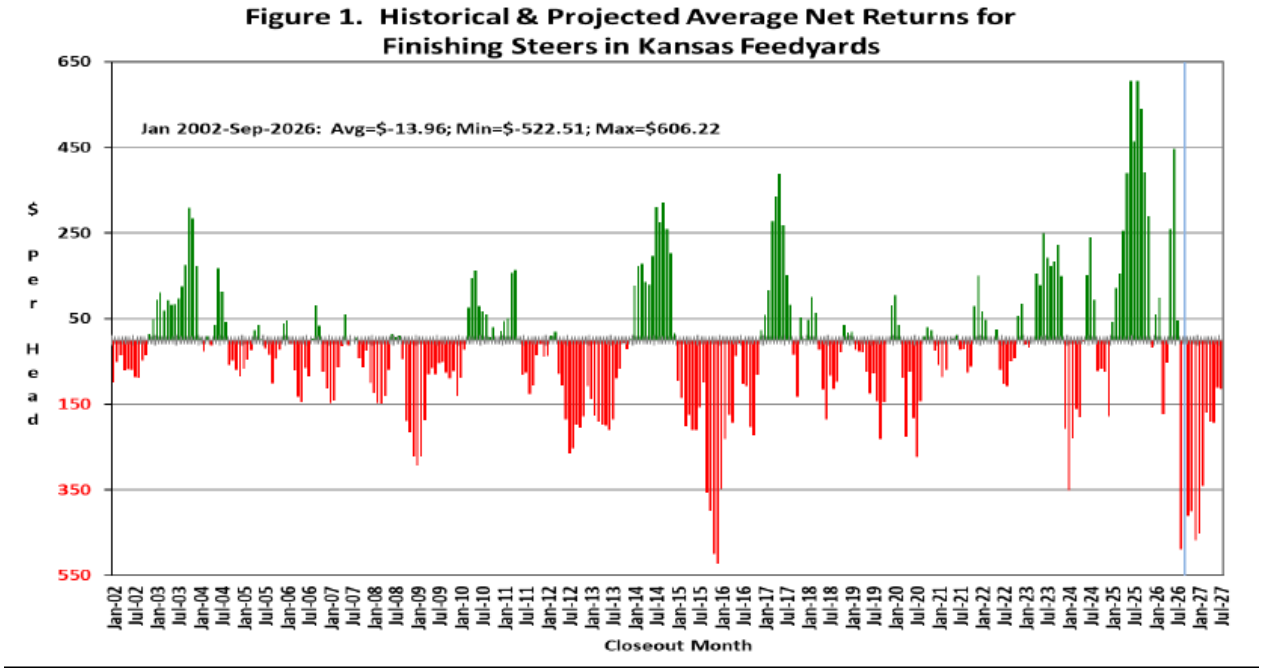
Use BeefBasis.com

Salina SUMMER GRASS Market, as of 11/16/26

4/7/2027 Buy/Retain @ 725 lbs
8/18/2027 Sell @ 925 lbs
DOF=133 & ADG=1.5

- ***Expected Buy/Retain Price: $343/cwt***
- ***Expected Sell Price: $306/cwt***
  - ***VOG: $174/cwt ($348/head)***

Cattle Feeding: 24 Years of Volatile Closeouts



$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 (11/15/2026); Kansas feedyards, monthly steer closeouts.

What Could Change the Story: Watch List

Consumer finances

K-shaped economy; only ~19% of MDM respondents (Oct. 2026) 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 & new AMS cash report; reliable USDA data underpins envy of the world & U.S. ag market function / key to #LetMarketsWork

Take-Home Messages

1. **Consumer demand, more than supply, is carrying record prices**
   and demand leverage cuts both ways: calves and feeders feel it most

2. **Fewer cows ≠ 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.

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