

Cattle Market Situation and Outlook



**Louisiana Ag Outlook Forum
January 22, 2026**

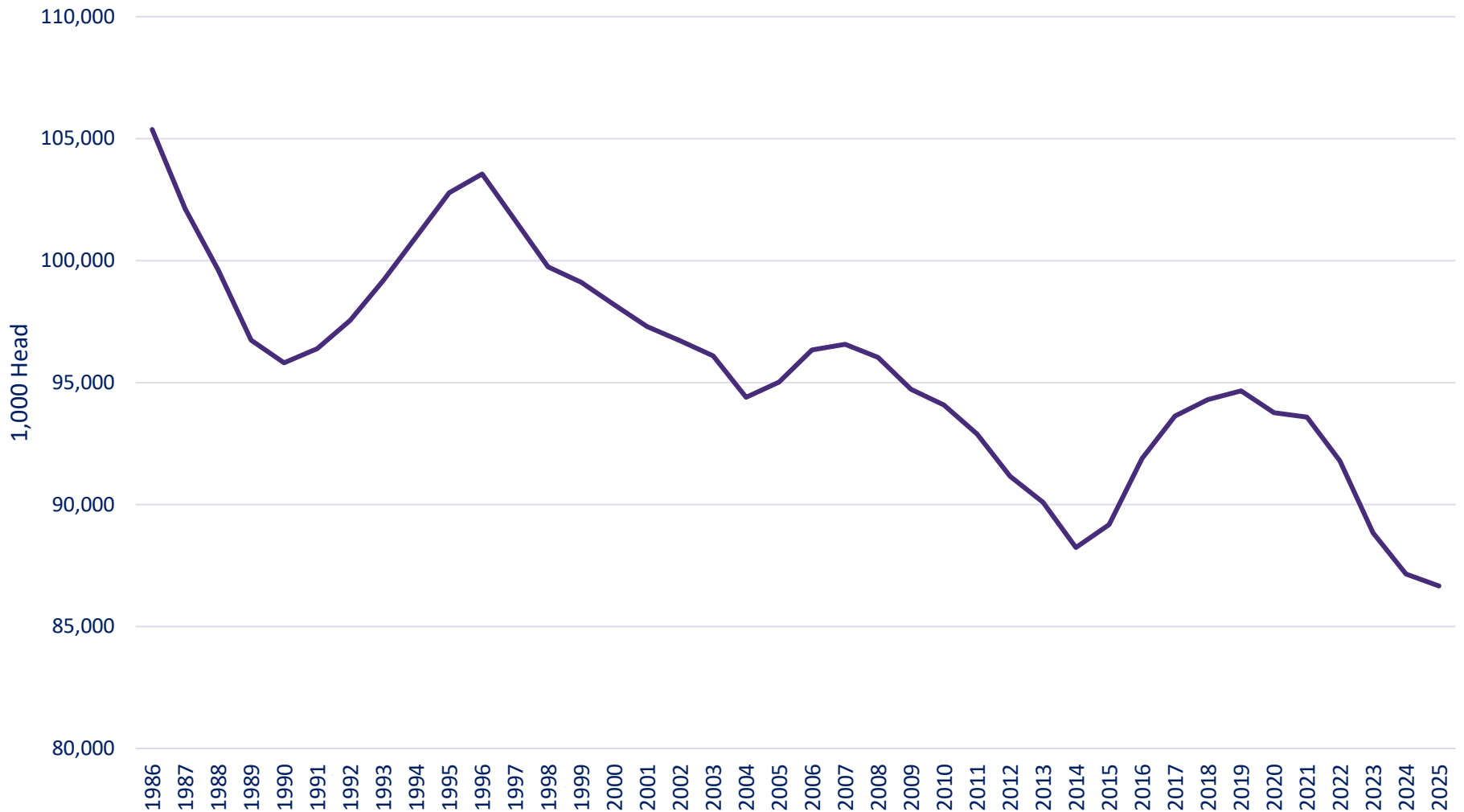
**Kurt M. Guidry
LSU AgCenter**

Current Situation and How Did We Get Here?

- Significantly Lower Cattle Numbers
 - Driven By Cattle Cycle and Extenuated By Drought
- Restricting Mexican Cattle Also Leading to Tight Cattle Numbers
- Low Cattle Numbers Started to Result in Lower Cattle on Feed, Lower Cattle Slaughter and Finally Lower Beef Production
 - Beef Production Has Seen a Slower Reduction Due To:
 - Higher Heifer and Cow Slaughter
 - Increased Carcass Weights
- Cattle Prices Have Risen to Historic Levels
- Strong Demand With Tight Supplies Has Pushed Beef Prices Higher
- Despite Short Term Corrections, Fundamentals Continue to Push Prices Higher
 - Trade Policy and Other Political Considerations
 - Closure of and/or Reduction of Slaughter Capacity

US CATTLE INVENTORY as of JANUARY 1

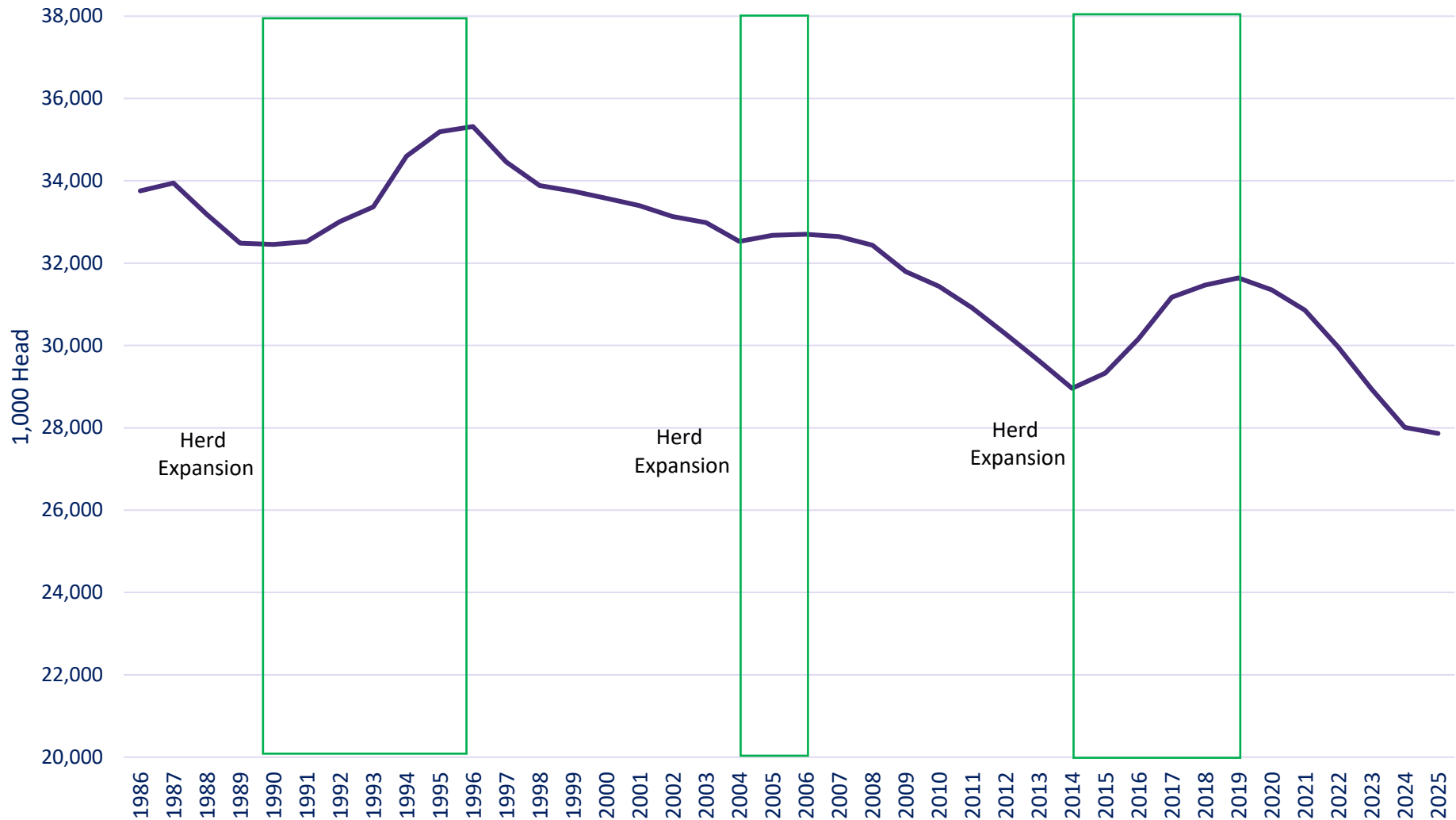
All Cattle and Calves



Source: USDA, National Agricultural Statistics Service

US CATTLE INVENTORY as of JANUARY 1

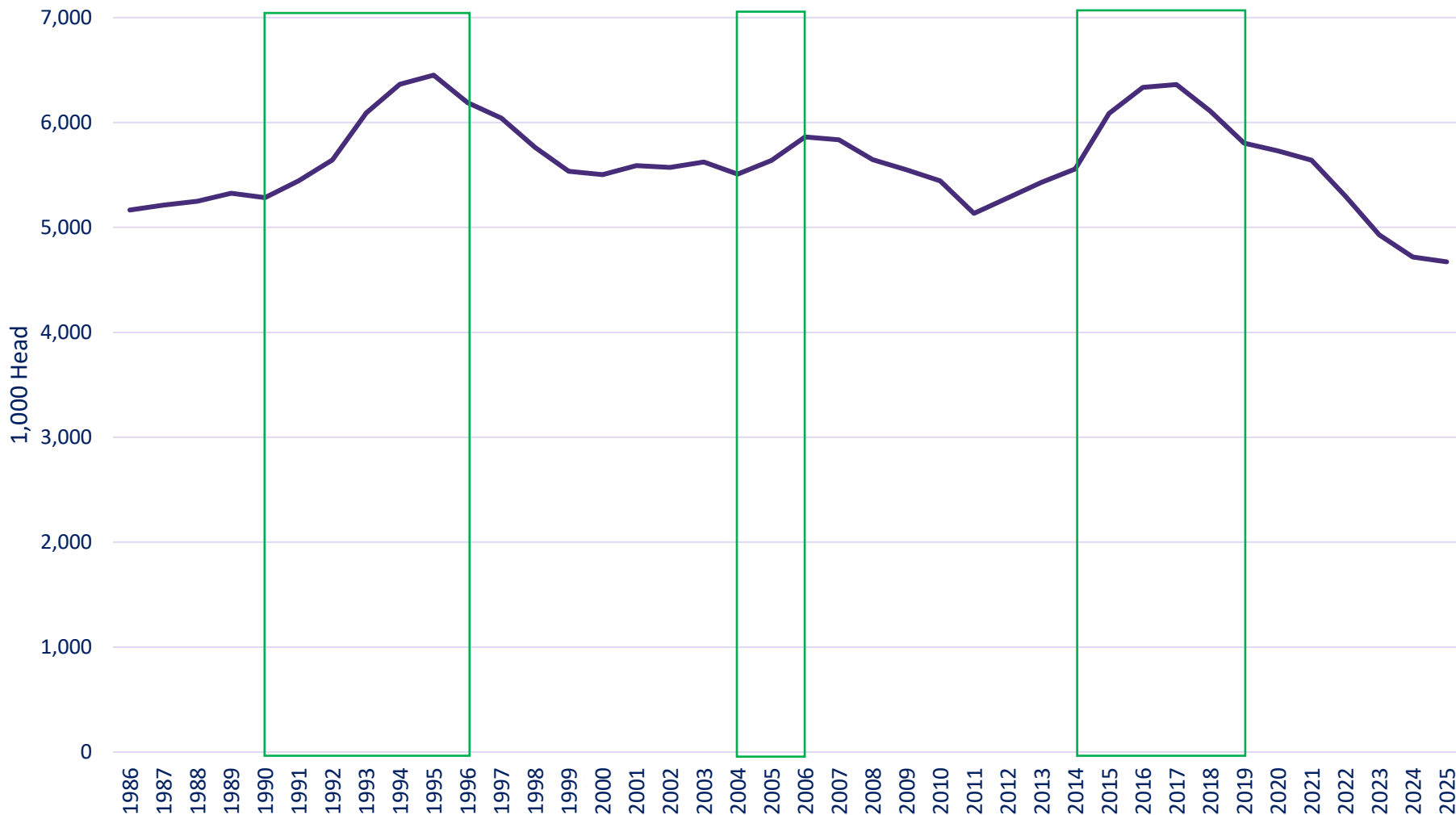
Beef Cows



Source: USDA, National Agricultural Statistics Service

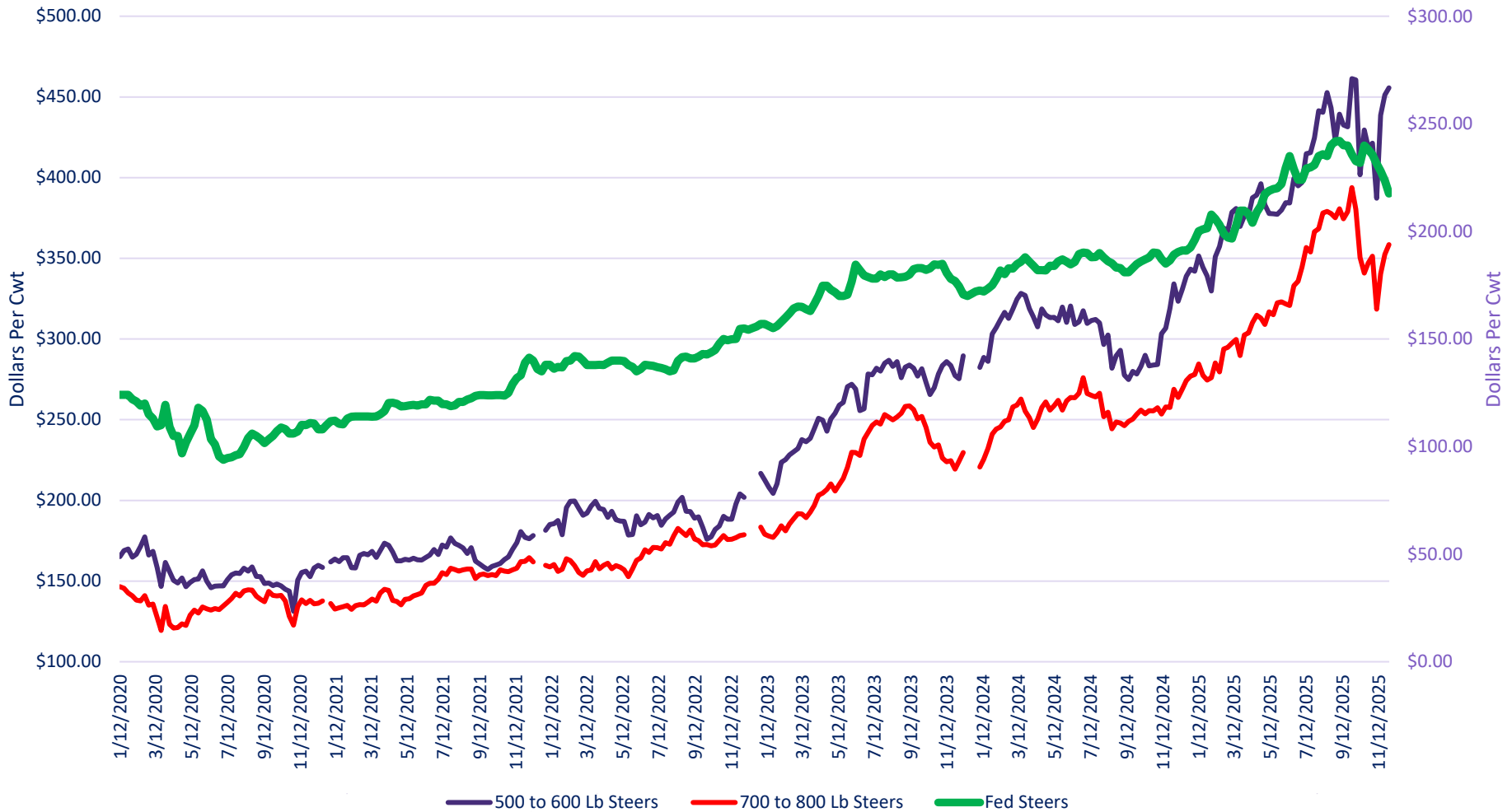
US CATTLE INVENTORY as of JANUARY 1

Heifer Replacements



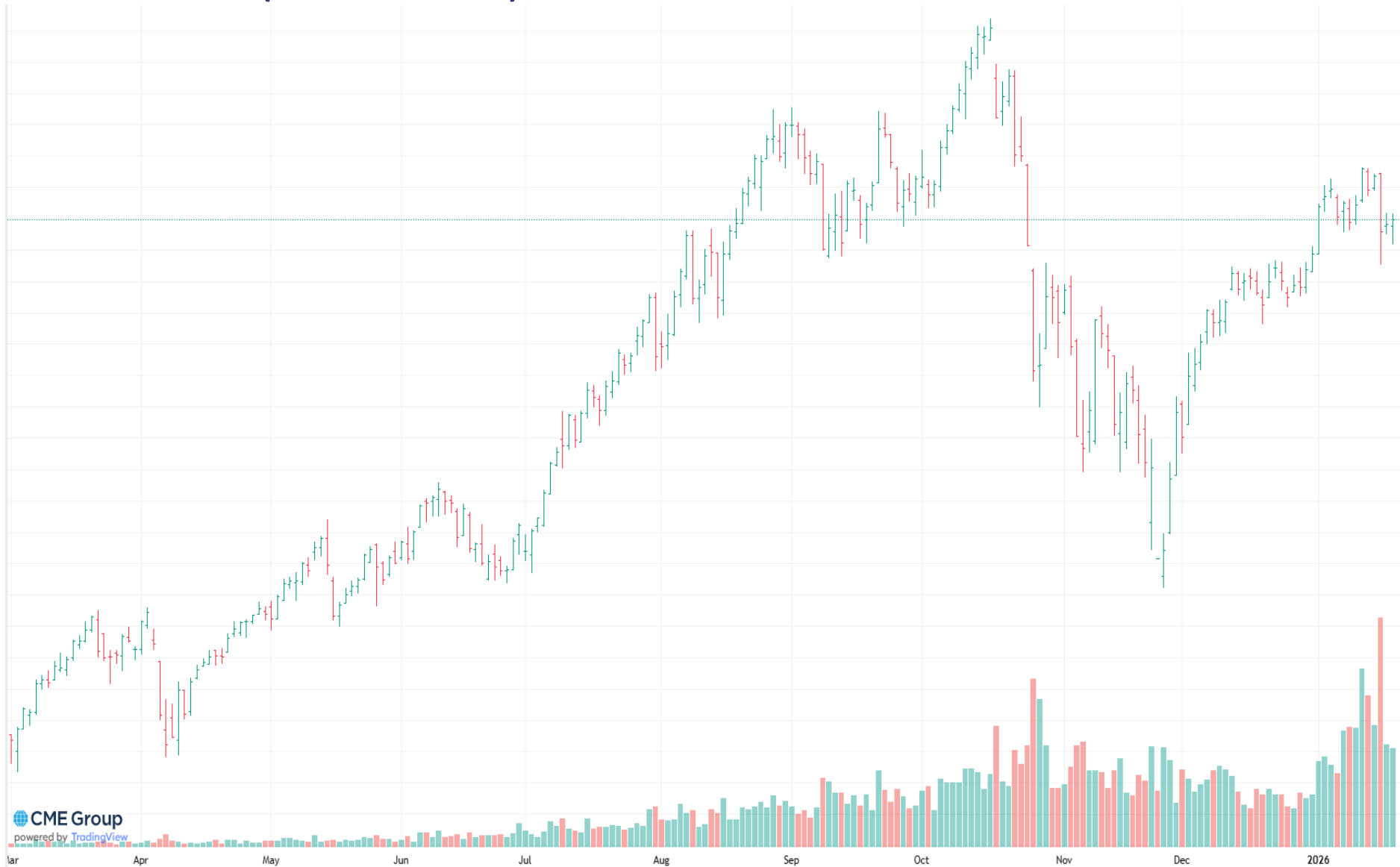
Source: USDA, National Agricultural Statistics Service

WEEKLY CATTLE PRICES 2020 - 2025



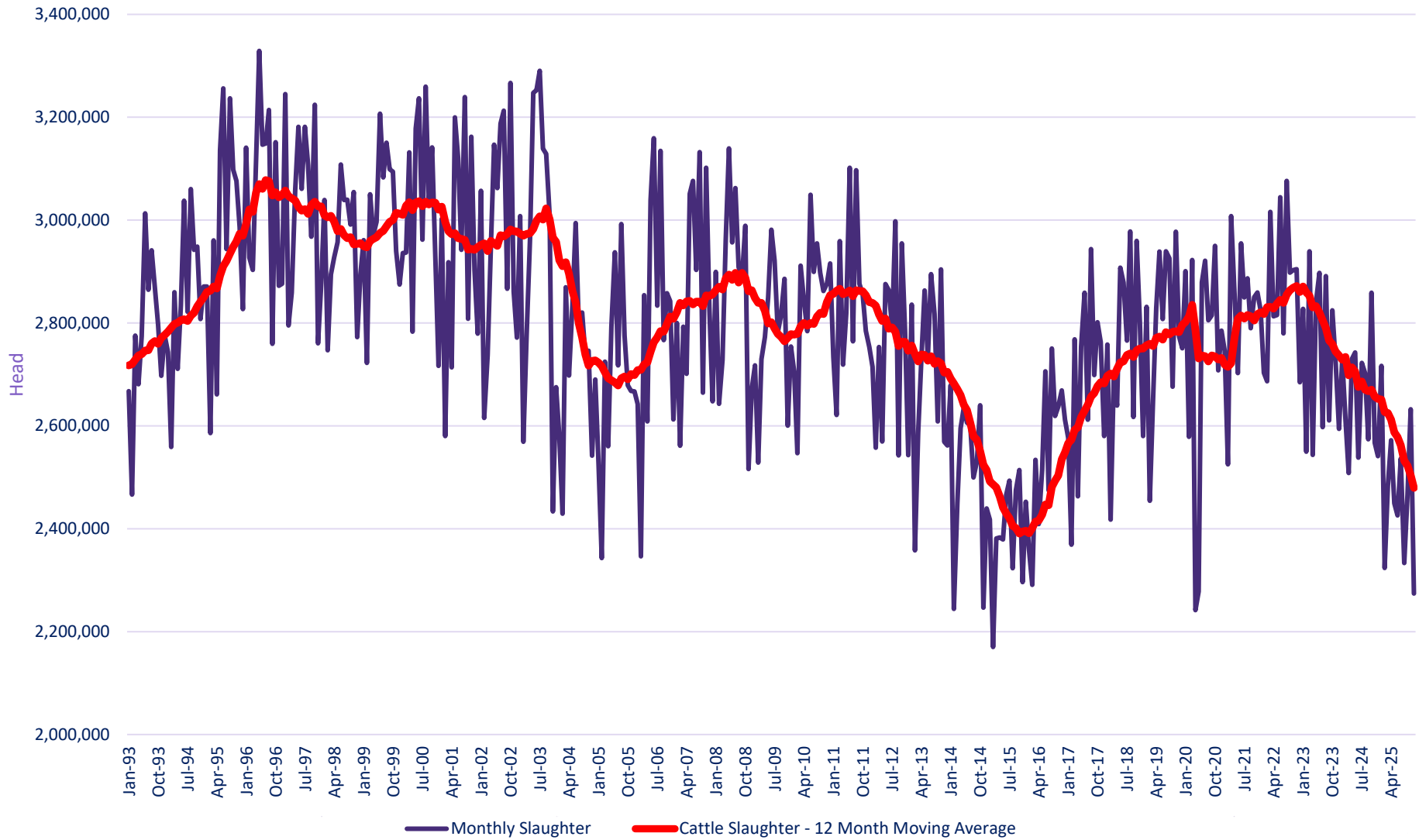
Source: USDA, National Agricultural Statistics Service

Fed Cattle (Live Cattle) Futures Contract Prices



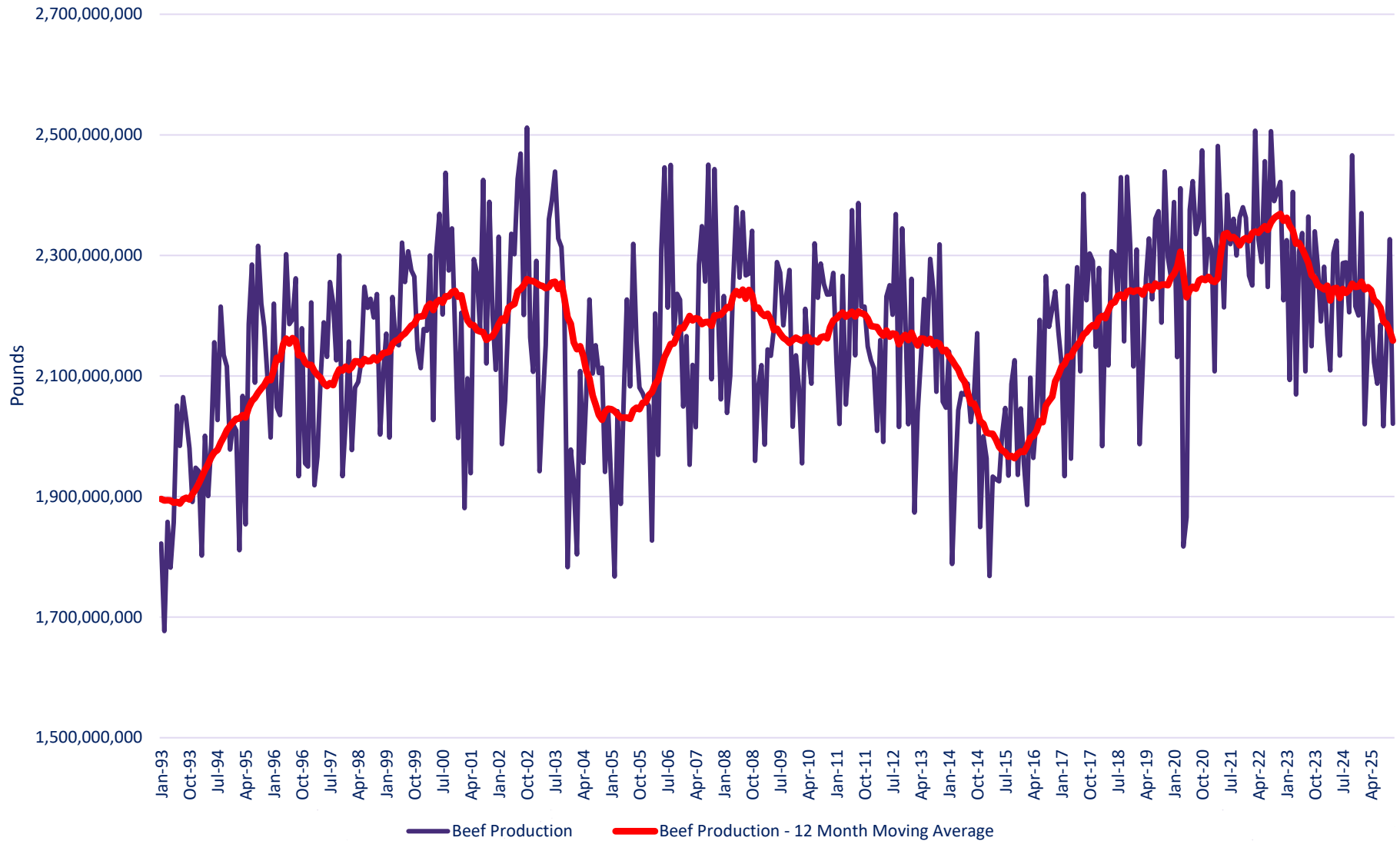
Source: Chicago Mercantile Exchange (CME)

MONTHLY CATTLE SLAUGHTER



Source: USDA, National Agricultural Statistics Service

MONTHLY BEEF PRODUCTION



Source: USDA, National Agricultural Statistics Service

Price Changes In Cattle and Beef Markets

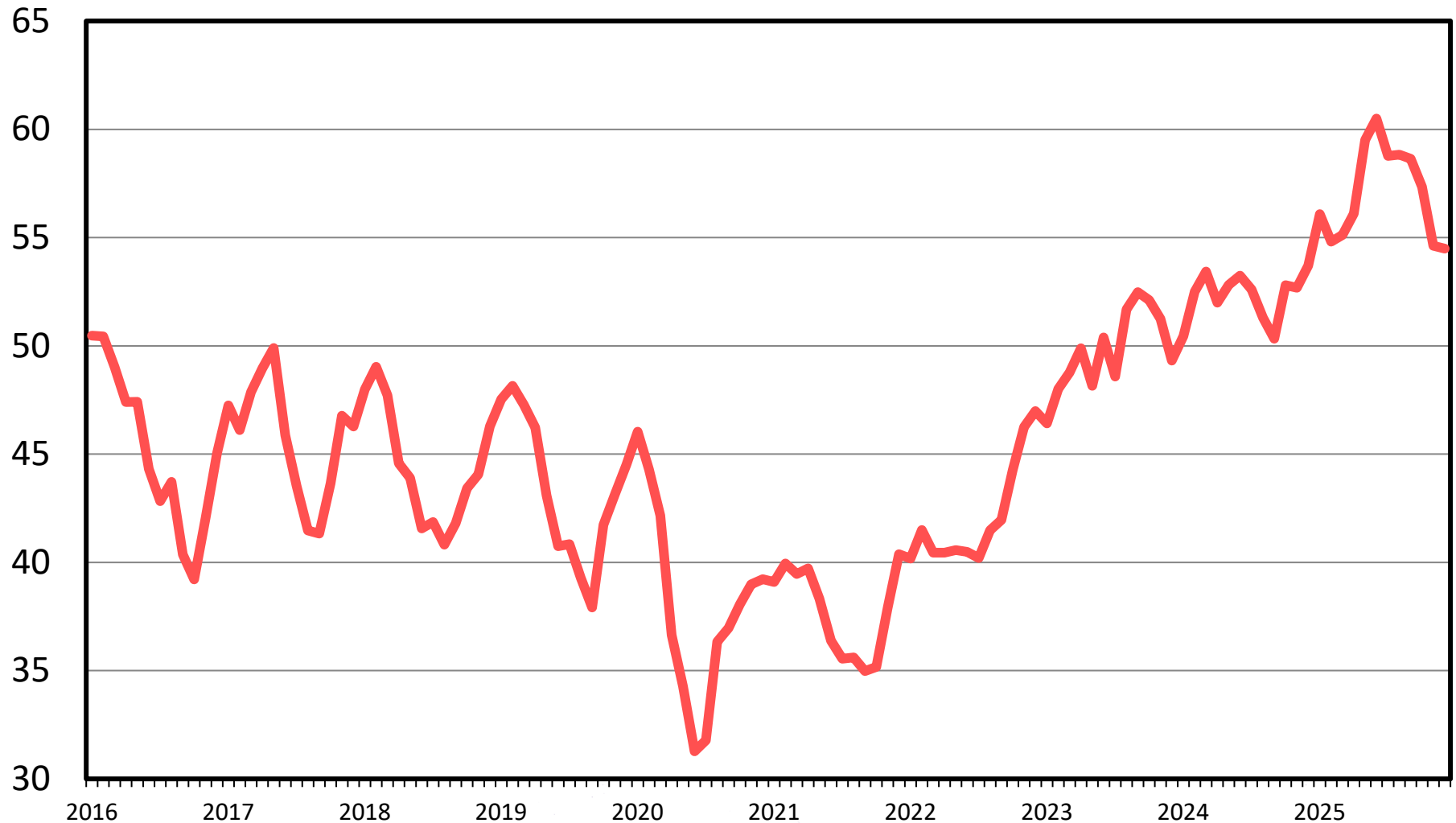
Item	2025	2024	Percent Change
Steer Calf Prices	\$423.27	\$299.45	41.35%
Feeder Steer Prices	\$346.43	\$256.35	35.14%
Fed Steer Prices	\$227.27	\$187.14	21.45%
Cutout Values	\$374.44	\$311.43	20.23%
Retail Beef Prices	\$939.60	\$805.98	16.58%

Source: USDA, Agricultural Marketing Service and National Agricultural Statistics Service

CHOICE STEER VALUE AS A PERCENT OF RETAIL BEEF VALUE

Percent

Monthly

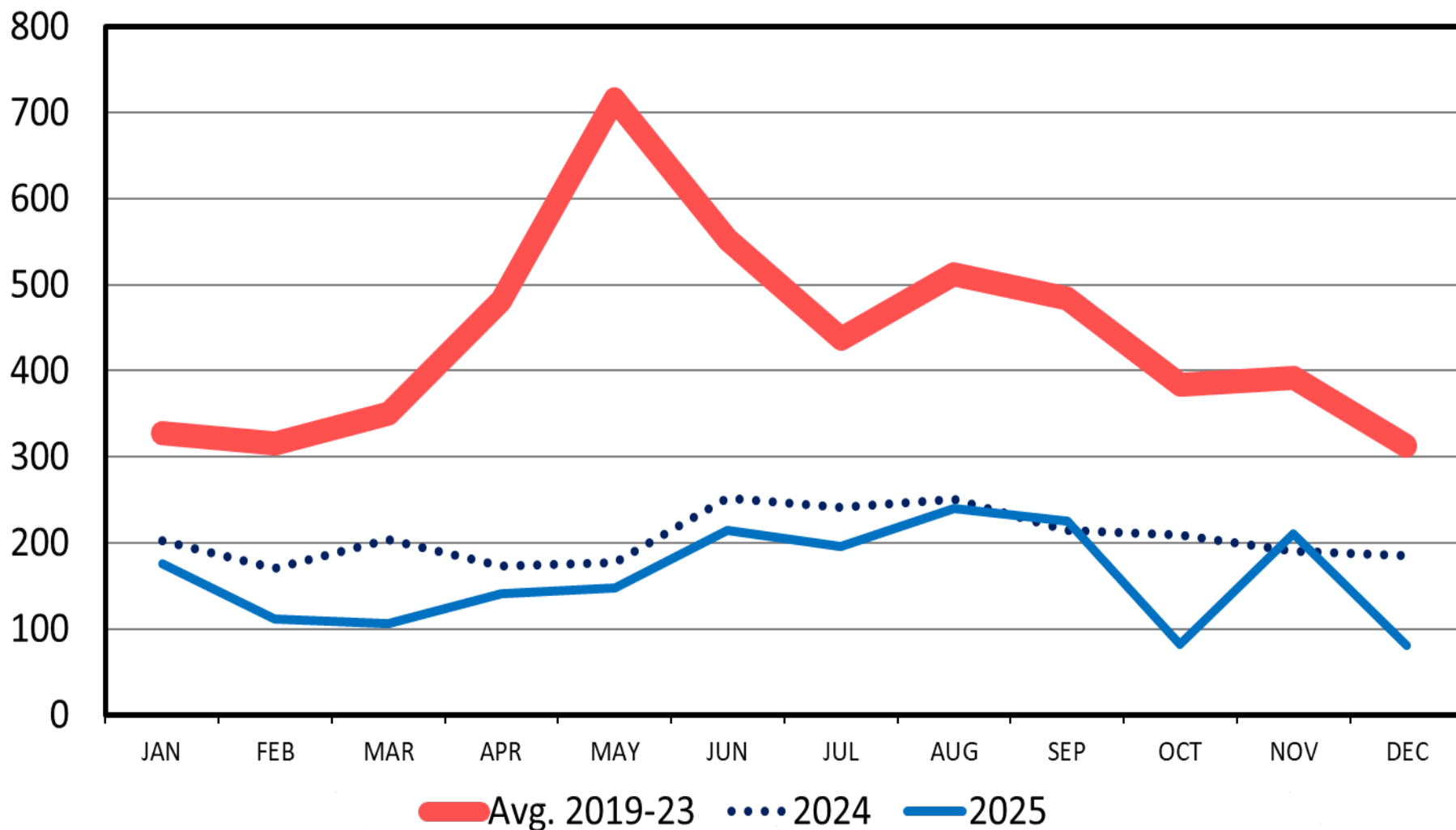


Source: Livestock Marketing Information Center (LMIC)

LIVE TO CUTOUT BEEF PRICE SPREAD

Monthly

\$ Per 1000 lbs

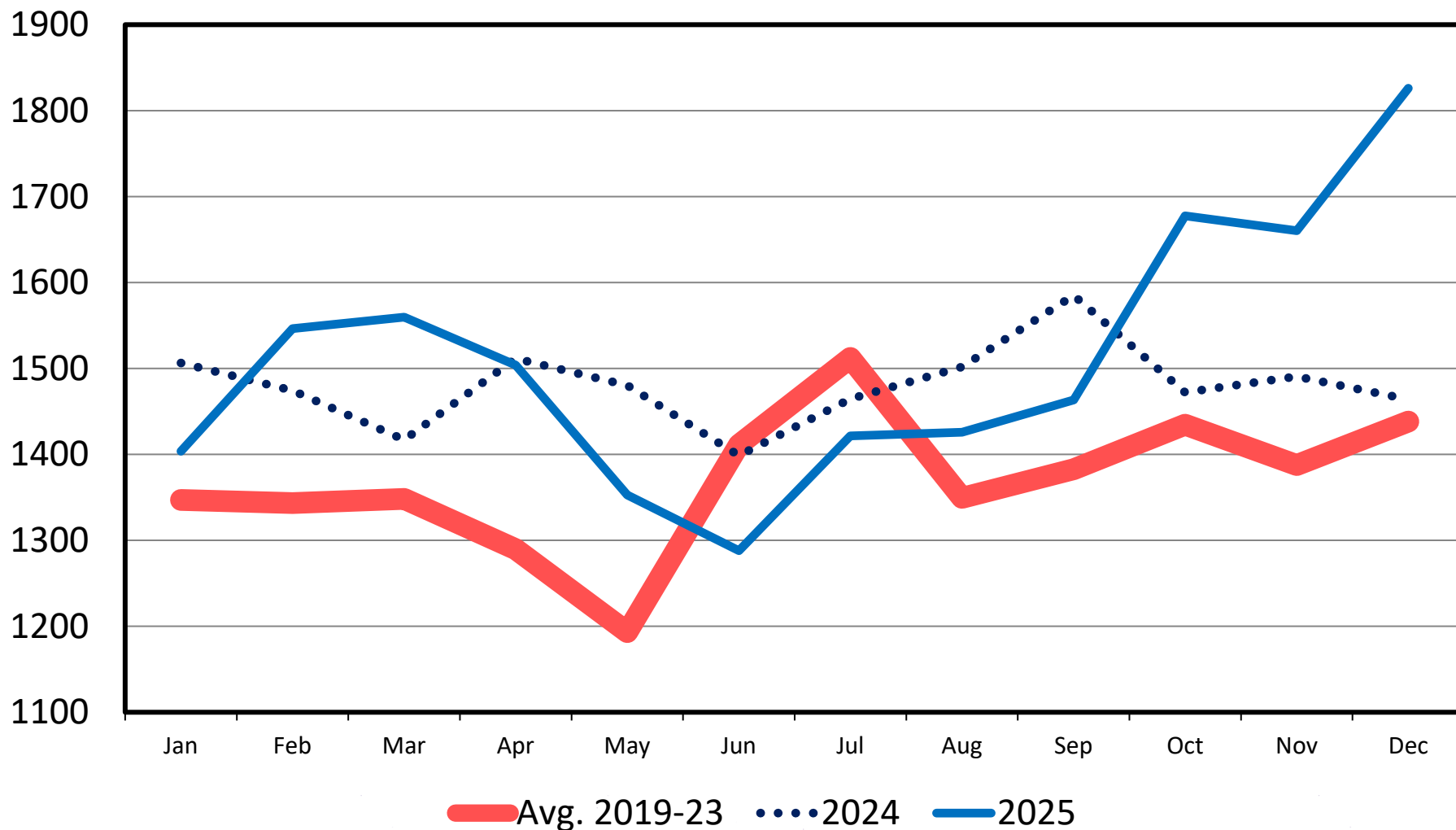


Source: Livestock Marketing Information Center (LMIC)

CUTOUT TO RETAIL BEEF PRICE SPREAD

Monthly

\$ Per 1000 lbs

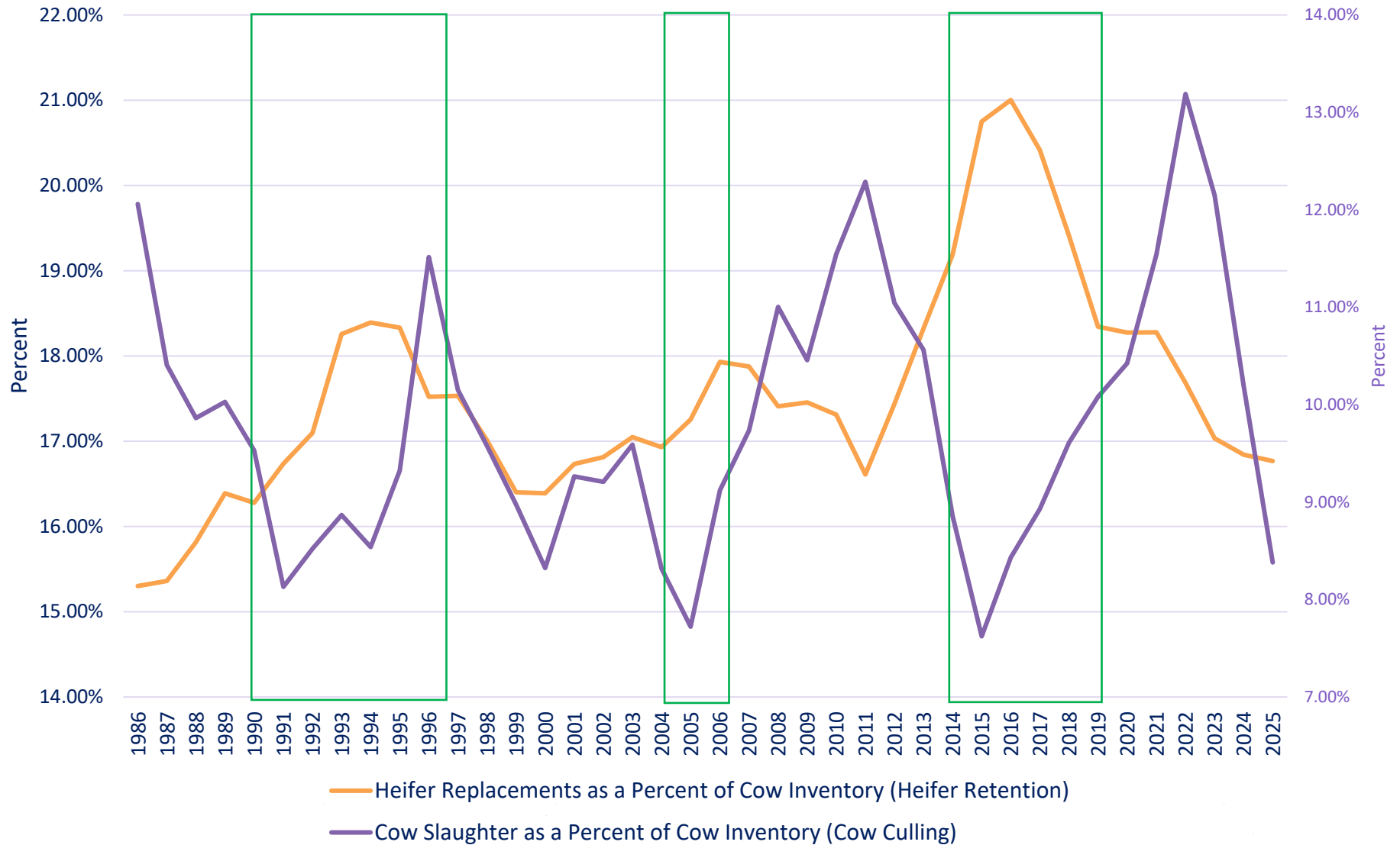


Source: Livestock Marketing Information Center (LMIC)

Where Does This Market Go Moving Forward?

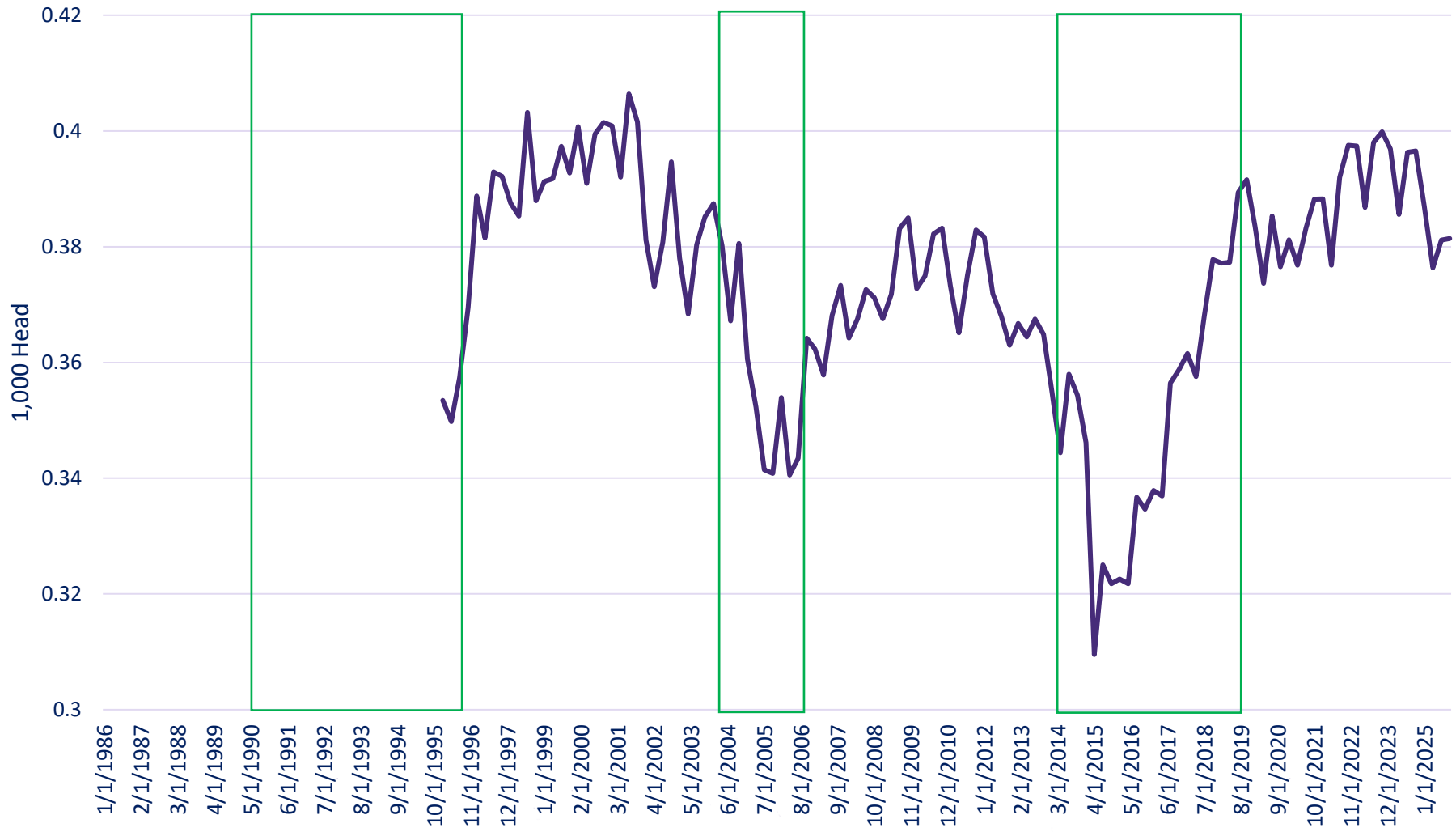
- Fundamentally Prices Should Be Supported At Elevated Levels Until Herd Expansion Begins
- Herd Expansion Can Only Happen With Reduced Cow Culling and Increased Heifer Retention
- In Addition to the Desire to Expand the Herd Has to be the Ability
 - Could Drought Conditions Stall Herd Expansion ?
- Can Imports of Cattle and Beef Limit Prices?
- Does Shrinking Margins at the Packer Level and, to a Lesser Extent, at the Retail Level Begin to Pressure Prices Throughout the System?
- Does Consumer Demand Continue to Accept Higher and Higher Beef Prices?

Heifer Retention and Cow Culling



Source: USDA, National Agricultural Statistics Service

QUARTERLY ESTIMATES OF HEIFERS ON FEED AS A PERCENT OF TOTAL CATTLE ON FEED

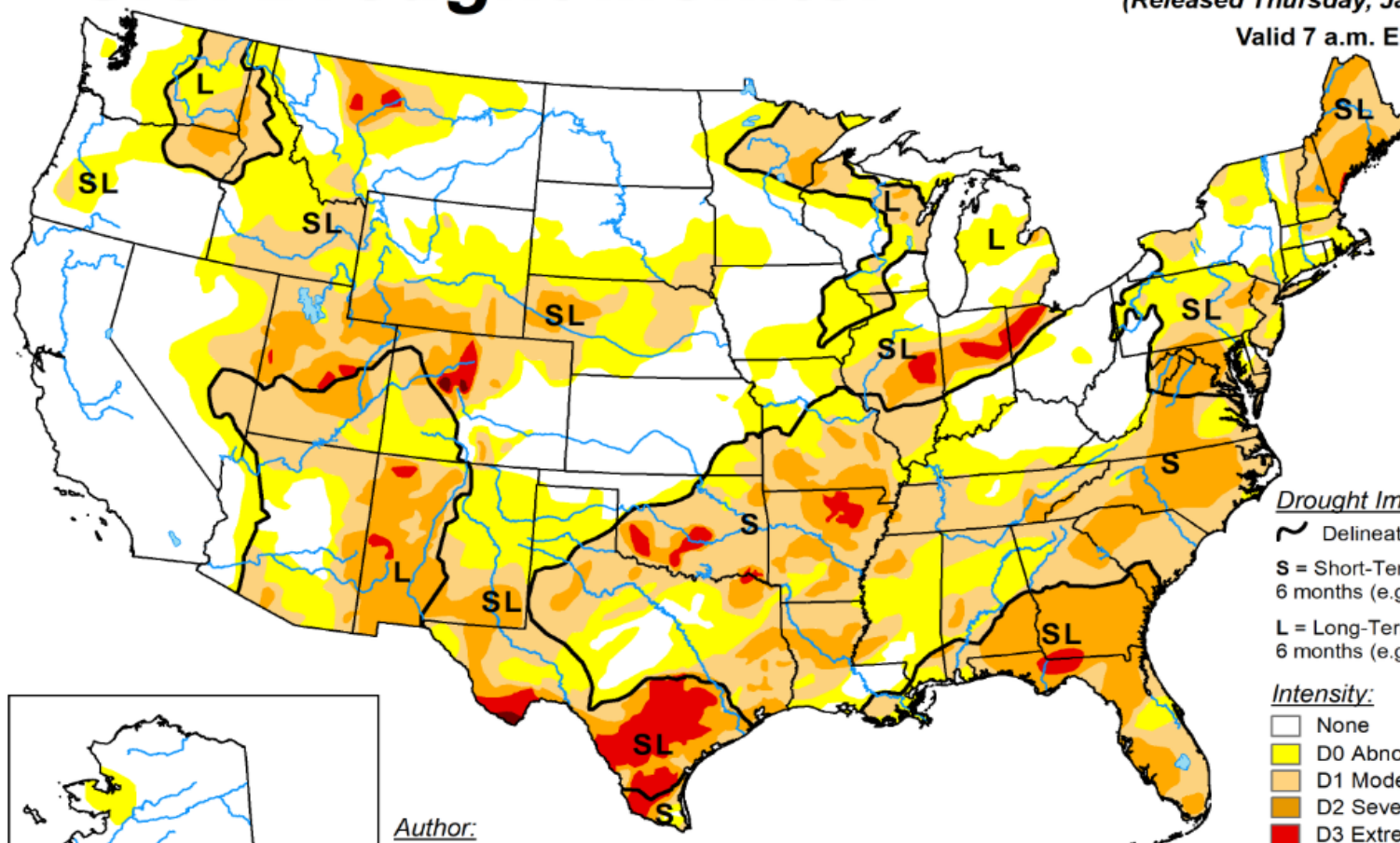


Source: USDA, National Agricultural Statistics Service

U.S. Drought Monitor

January 13, 2026
(Released Thursday, Jan. 15, 2026)

Valid 7 a.m. EST

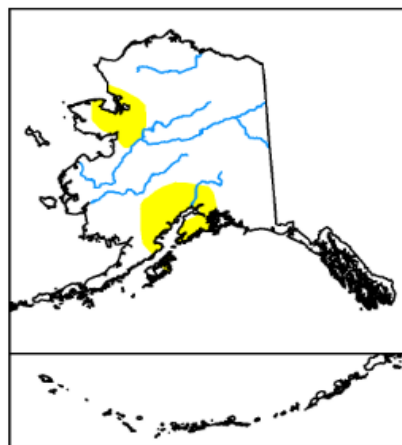


Drought Impact Types:

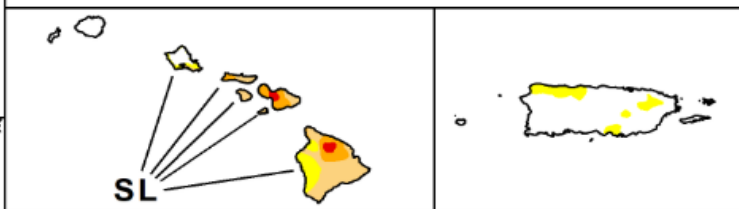
- ~ Delineates dominant impacts
- S** = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L** = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought



Author:
Brian Fuchs
National Drought Mitigation Center



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>



droughtmonitor.unl.edu

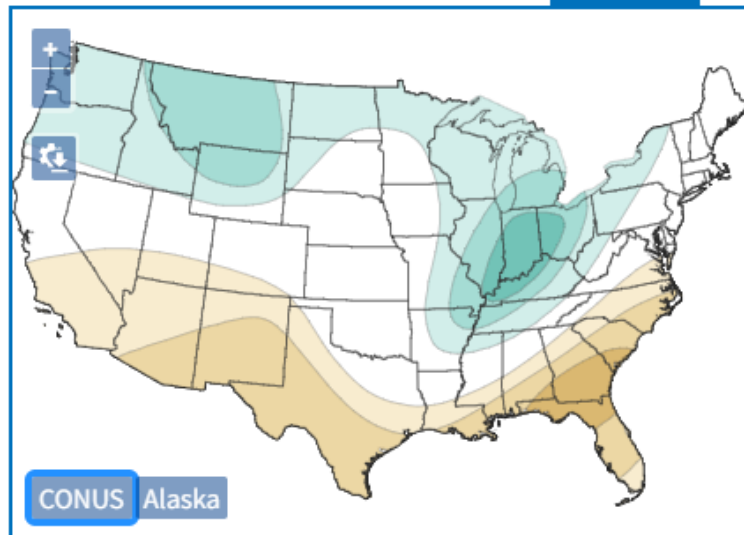
Official NOAA Precipitation Outlooks

6-10 Day

8-14 Day

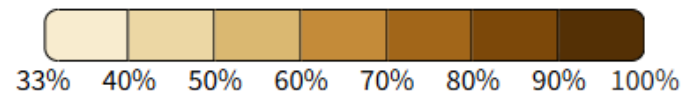
1-Month

3-Month

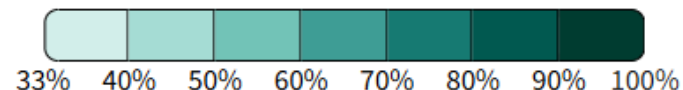


Legend

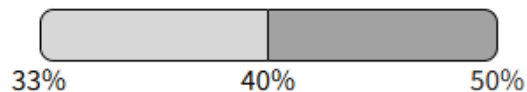
Probability of Below-Normal Precipitation



Probability of Above-Normal Precipitation



Probability of Near-Normal Precipitation



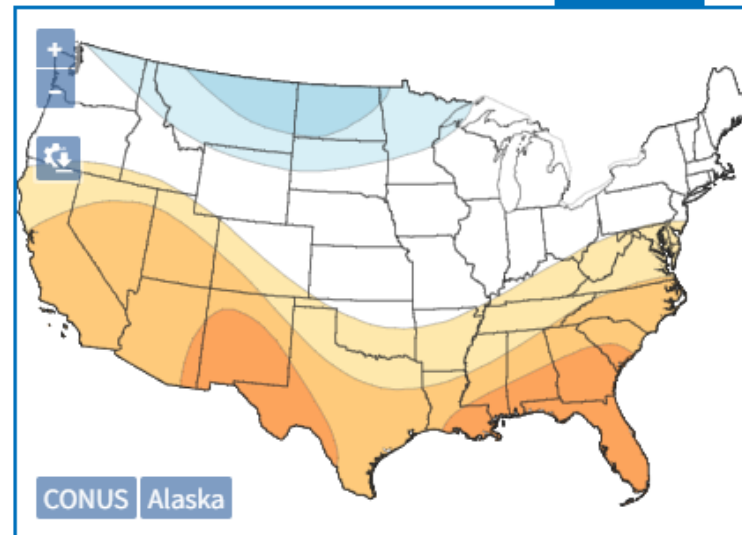
Official NOAA Temperature Outlooks

6-10 Day

8-14 Day

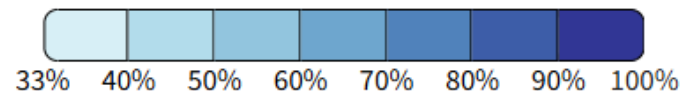
1-Month

3-Month

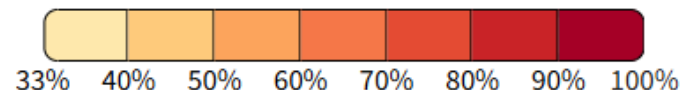


Legend

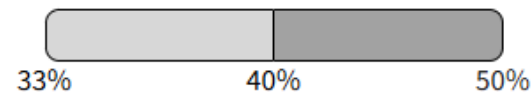
Probability of Below-Normal Temperatures



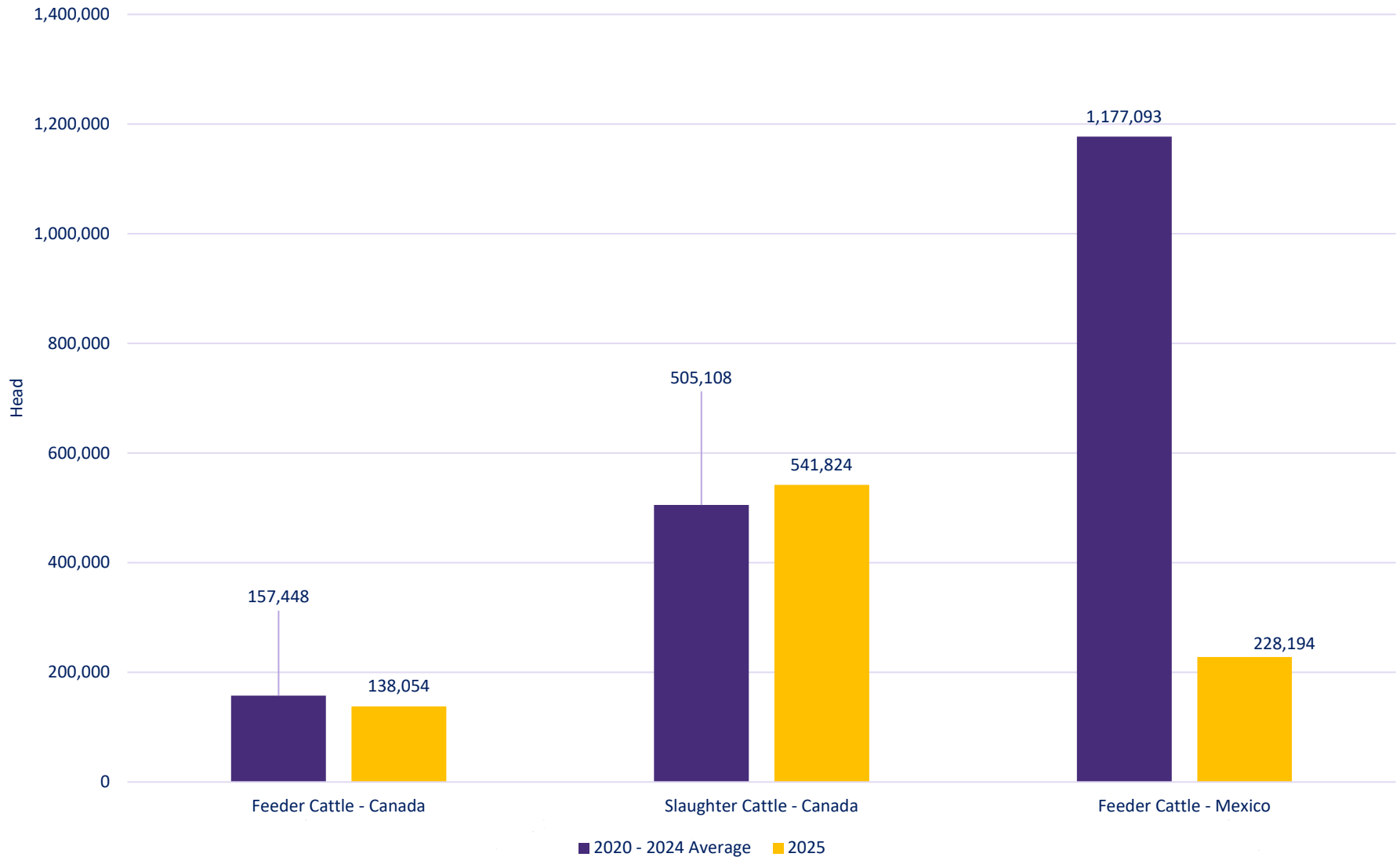
Probability of Above-Normal Temperatures



Probability of Near-Normal Temperatures



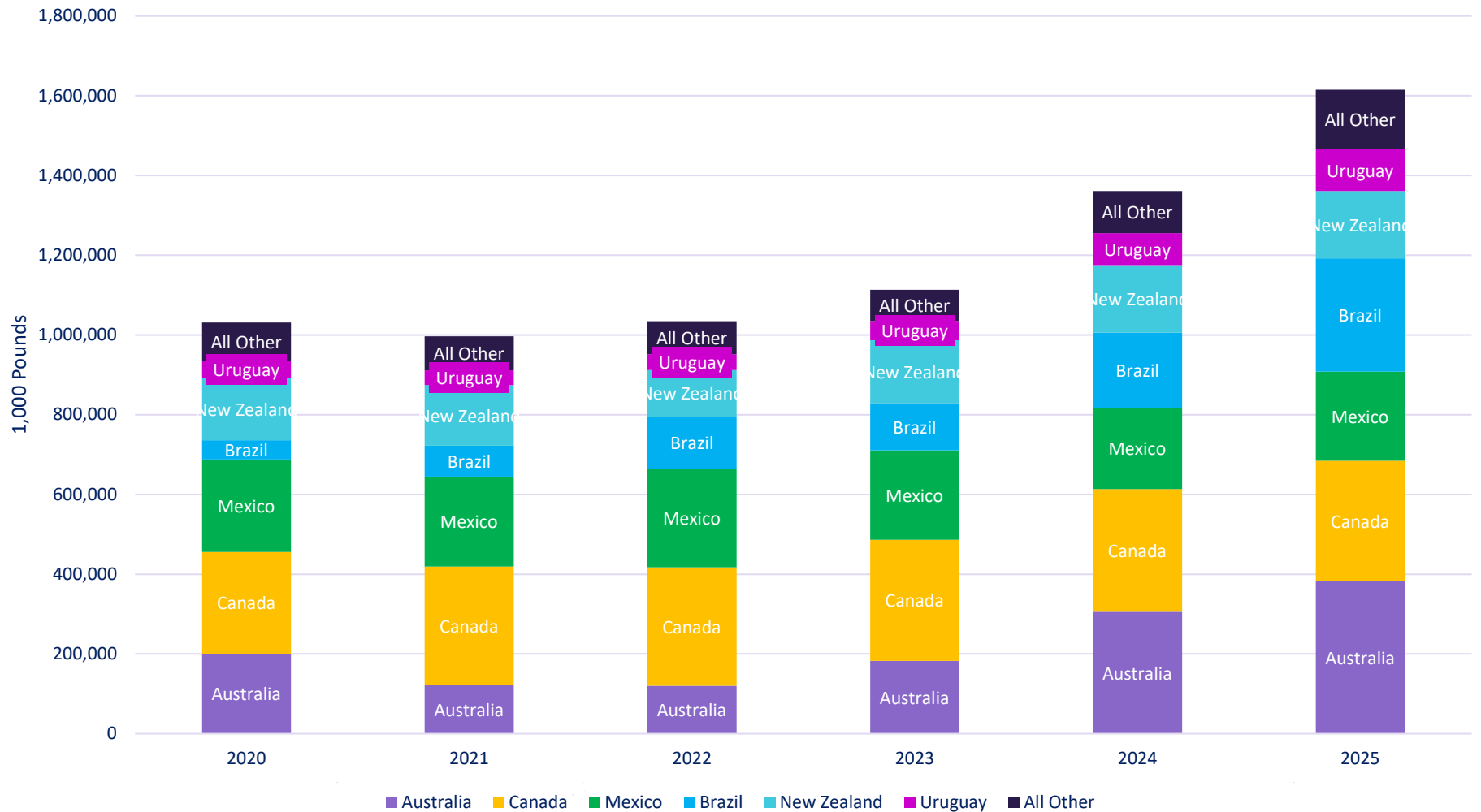
Cattle Imports From Canada and Mexico



Source: USDA, Foreign Agricultural Service

Beef and Beef Products Imports

January - October

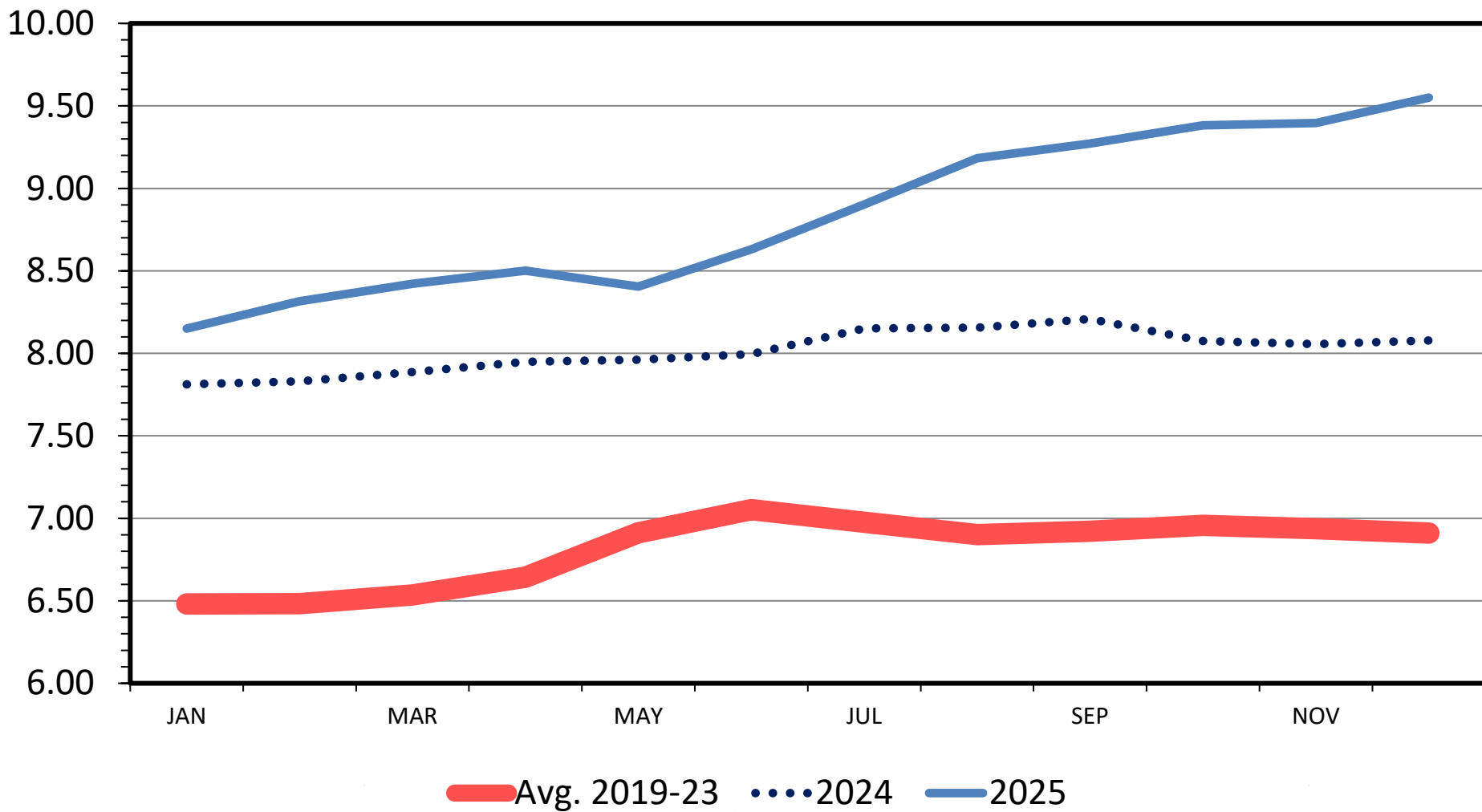


Source: USDA, Foreign Agricultural Service

RETAIL BEEF PRICE

All Fresh, Monthly

\$ Per Pound

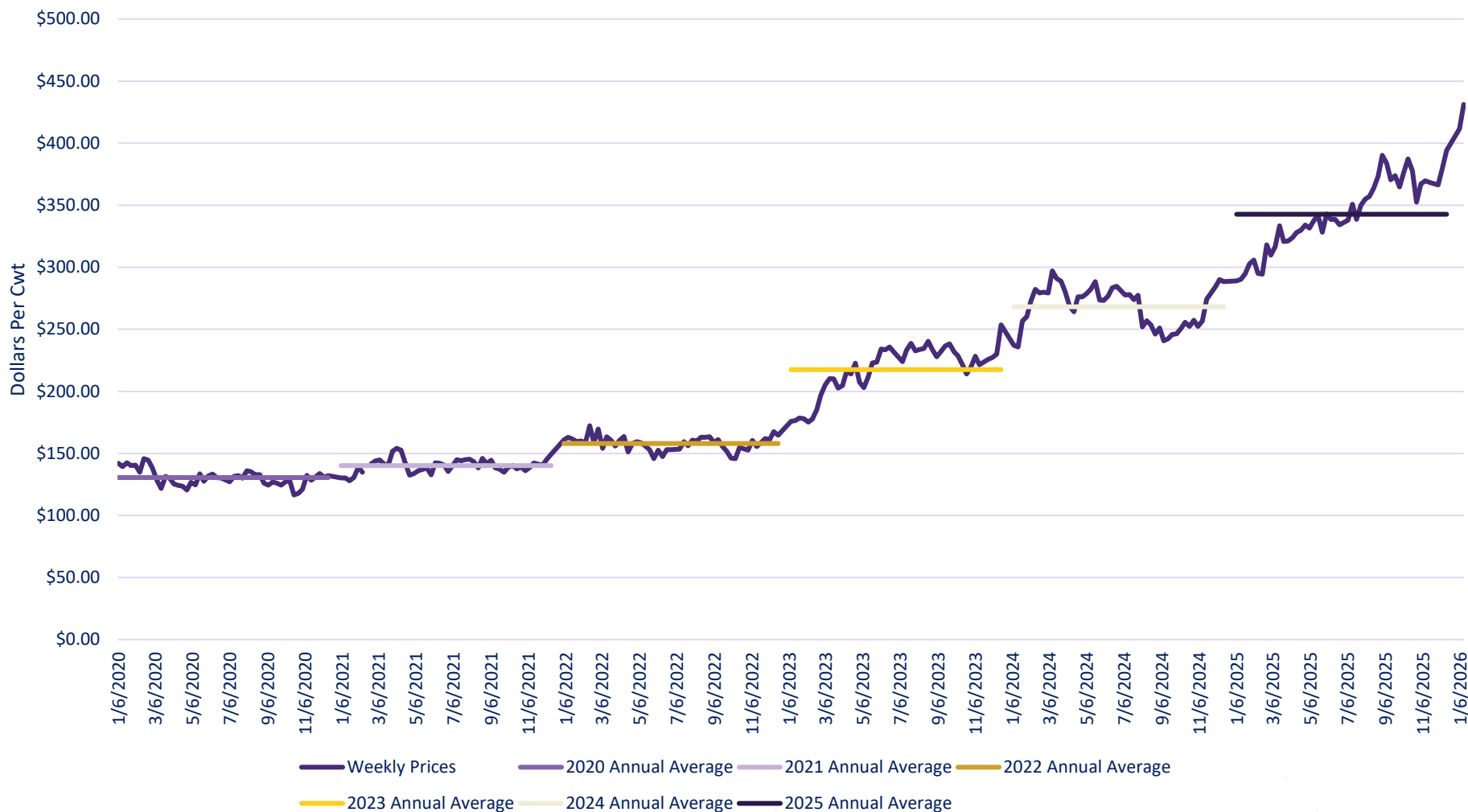


Source: Livestock Marketing Information Center (LMIC)

What Is The Overall View For Prices

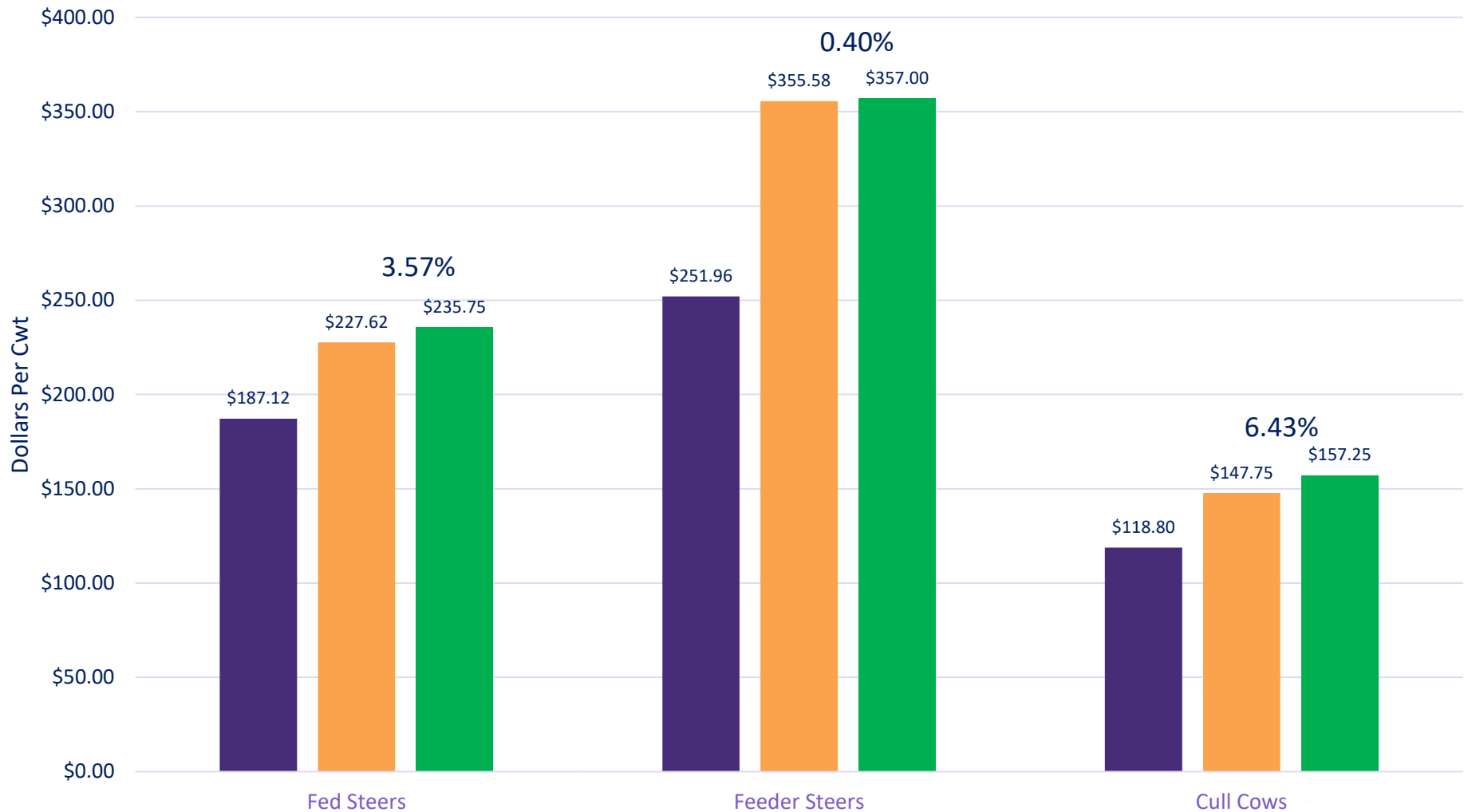
- Little to Suggest Heifer Retention Has Begun in Any Significant Level
 - Cattle on Feed – Jan 23
 - Cattle Inventory – Jan 30
- Some Building Concern Around Consumer Demand
 - Ability to Increase Beef Prices At Recent Rates Likely Limited
 - Prices to Increase But at Much Slower Rate
- USDA Price Projections Continue to Show Higher Prices in 2026 over 2025
 - However, the percent increase has increased from previous year
- Historically, Prices Continue to Be Supported For 18 to 24 Months After Herd Expansion Begins

Weekly Average Steer Prices (500 - 600 Lbs) Mississippi Auction Barns



Source: USDA, Agricultural Marketing Service

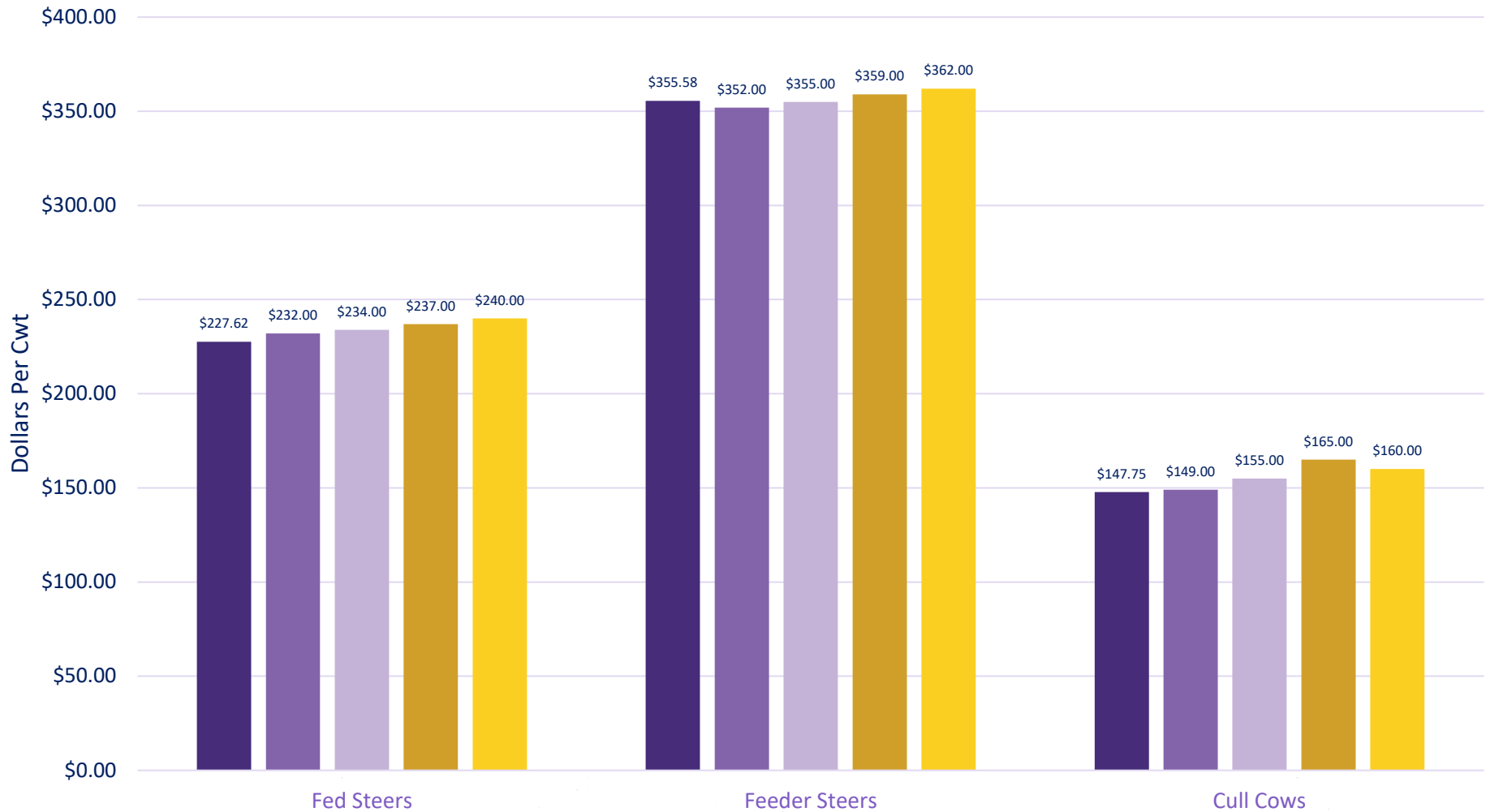
Estimated Annual Average US Cattle Prices 2024 - 2026



Source: USDA, Economic Research Service

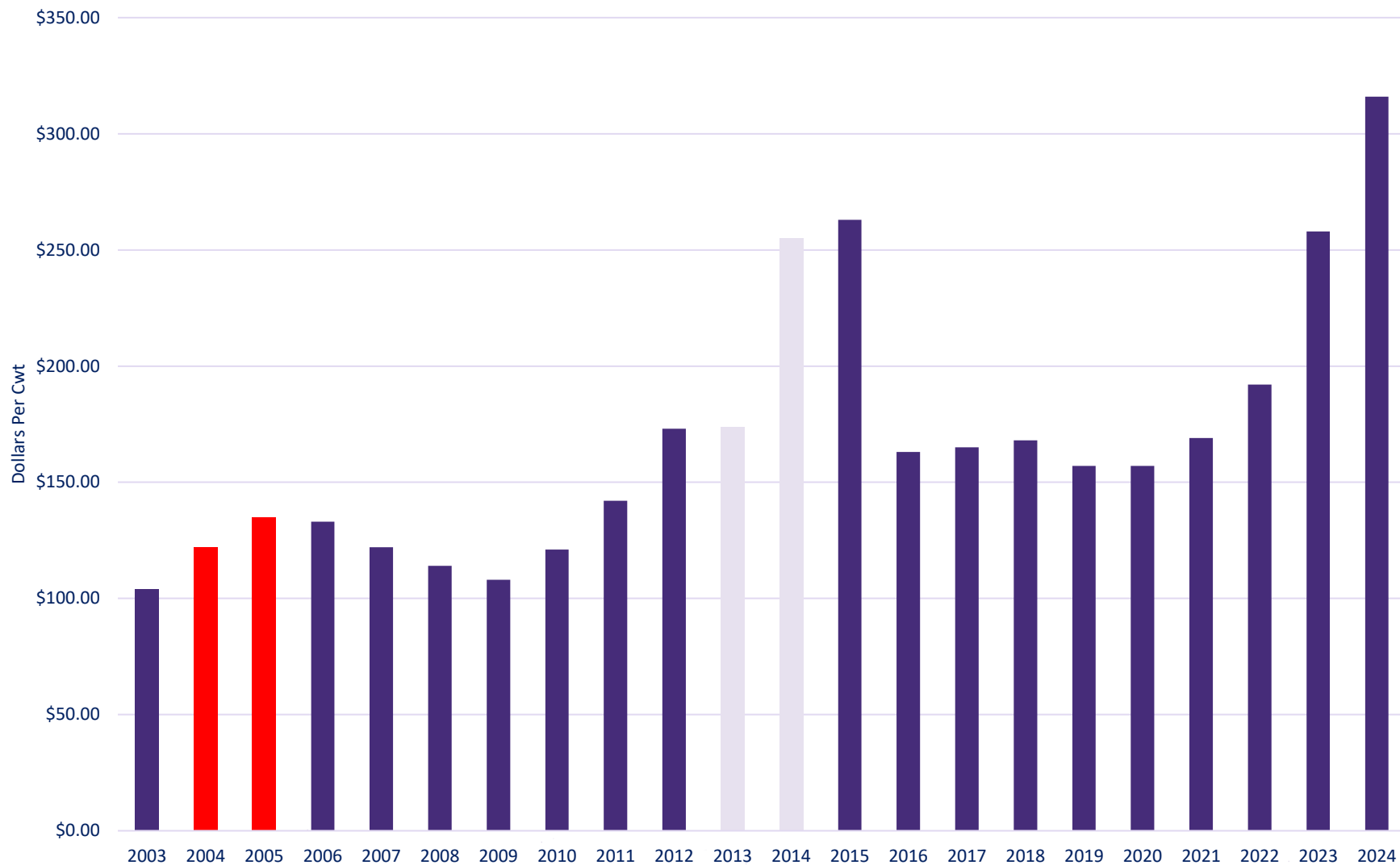
Estimated Quarterly Average US Cattle Prices

4th Qrt. 2025 to 4th Qrt. 2026



Source: USDA, Agricultural Marketing Service

US Annual Average Calf Prices



Source: USDA, National Agricultural Statistics Service

What Does Cow/Calf Profitability Look Like in 2026?

- VERY STRONG!!!
- Cattle Prices Expected to Remain at Elevated Levels in 2026
- Production Costs Likely Higher in 2026
 - Higher Projections For Fertilizer, Machinery, and Chemicals Offset Stable to Lower Projections for Fuel and Interest Rates
- Despite Flat to Higher Production Costs, High Cattle Prices Provide Strong Returns

Diifferent Costs Per Cow and Calf Prices - SEMI IMPROVED PASTURES

Calf Price	----- Direct Costs Per Cow -----							
	\$700	\$725	\$750	\$775	\$800	\$825	\$850	\$875
\$2.00	\$235.00	\$210.00	\$185.00	\$160.00	\$135.00	\$110.00	\$85.00	\$60.00
\$2.25	\$351.88	\$326.88	\$301.88	\$276.88	\$251.88	\$226.88	\$201.88	\$176.88
\$2.50	\$468.75	\$443.75	\$418.75	\$393.75	\$368.75	\$343.75	\$318.75	\$293.75
\$2.75	\$585.63	\$560.63	\$535.63	\$510.63	\$485.63	\$460.63	\$435.63	\$410.63
\$3.00	\$702.50	\$677.50	\$652.50	\$627.50	\$602.50	\$577.50	\$552.50	\$527.50
\$3.25	\$819.38	\$794.38	\$769.38	\$744.38	\$719.38	\$694.38	\$669.38	\$644.38
\$3.50	\$936.25	\$911.25	\$886.25	\$861.25	\$836.25	\$811.25	\$786.25	\$761.25
\$3.75	\$1,053.13	\$1,028.13	\$1,003.13	\$978.13	\$953.13	\$928.13	\$903.13	\$878.13

Estimated Returns Above Direct Costs Per Cow for a 450 Lb Calf with a Herd Weaning Percentage of 75% At Different Costs Per Cow and Calf Prices - NATIVE PASTURES

Calf Price	----- Direct Costs Per Cow -----							
	\$425	\$450	\$475	\$500	\$525	\$550	\$575	\$600
\$2.00	\$250.00	\$225.00	\$200.00	\$175.00	\$150.00	\$125.00	\$100.00	\$75.00
\$2.25	\$334.38	\$309.38	\$284.38	\$259.38	\$234.38	\$209.38	\$184.38	\$159.38
\$2.50	\$418.75	\$393.75	\$368.75	\$343.75	\$318.75	\$293.75	\$268.75	\$243.75
\$2.75	\$503.13	\$478.13	\$453.13	\$428.13	\$403.13	\$378.13	\$353.13	\$328.13
\$3.00	\$587.50	\$562.50	\$537.50	\$512.50	\$487.50	\$462.50	\$437.50	\$412.50
\$3.25	\$671.88	\$646.88	\$621.88	\$596.88	\$571.88	\$546.88	\$521.88	\$496.88
\$3.50	\$756.25	\$731.25	\$706.25	\$681.25	\$656.25	\$631.25	\$606.25	\$581.25
\$3.75	\$840.63	\$815.63	\$790.63	\$765.63	\$740.63	\$715.63	\$690.63	\$665.63



Questions ???

Kurt M. Guidry
kmguidry@agcenter.lsu.edu
337-788-7531