August 2025 Volume 17 Issue 8

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News from your CEO

Thank you to our CPL members who have renewed their membership in July. For those who have not, please do so by the end of August. Let me know if you need a form. Again, THANK YOU!

The month of July saw new record prices for slaughter steers and heifers coming out of the feedlots and slaughter cow prices. Slaughter plants capacity was 77% and cow capacity at 59% in July due to the lack of supply. July saw profit per head for slaughter steers and heifers reach $734.00. Prices for calves and yearlings broke records during July at our local auctions.

What will August bring? Our feeder calves do well in August and September pricewise, however, as we enter October we start to compete with the rest of the country and demand starts to weaken. Looking back on this year (hindsight is 20/20 vision) we had high prices in late June and into July. Supply of feeders is going to be the key this year, so demand may not weaken as much as in past years. On July 31, 2025, the future market "fell out of bed"! Feedlot steers down over $5.00 cwt. and 750-900 lbs. feeder steers down $7.00-$8.00 cwt. So, check with your marketing agent and keep up with the market.

Enjoy this month of August and watch out for the children as they start back to school.

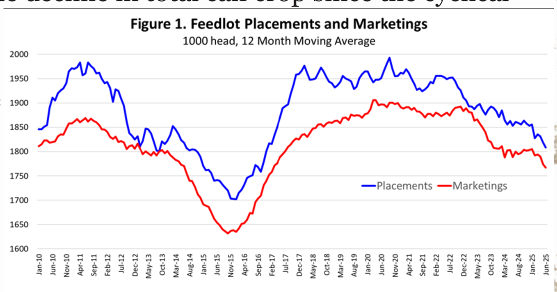
Dave Foster, CEO

Still Looking for Replacement Heifers

By: Derrell S. Peel, Oklahoma State University Extension Livestock Marketing Specialist

The July Cattle on Feed (COF) report showed the continued decrease in feedlot inventories. Feedlot placements in June were down 7.9 percent year over year, more than expected. June feedlot marketings were down 4.4 percent year over year, in line with pre-report expectations.

Over the past six months, total placements were 5.0 percent less than one year earlier while total marketings were down 4.0 percent year over year. Placements decreased by 539 thousand head and marketings decreased by 437 thousand head in the past six months. The difference means that placements decreased by 102 thousand head more than marketings thereby reducing feedlot inventories. Average placements and marketings have generally been falling for roughly five years, at a faster rate recently (Figure 1). Decreased flow of cattle through feedlots corresponds to the decline in total calf crop since the cyclical peak in 2018.



The July 1 feedlot inventory was 11.124 million head, down 1.6 percent year over year. This is the eighth consecutive month of year-over-year decreases in feedlot numbers. The 12-month moving average of feedlot inventories has now dropped to the lowest level since May 2019. However, the current level is just 2.9 percent below the peak level in September 2022, indicating that feedlot inventories have declined slowly compared to the calf crop.. The estimated 2025 calf crop is 33.1 million head, 8.8 percent lower than the cyclical peak in 2018. The estimated supply of feeder cattle outside of feedlots in the July Cattle report is the smallest in 29 years of available data.

The July COF report also included the quarterly breakdown of steers and heifers in feedlots.

Heifers in feedlots decreased by 5.4 percent from last year. However, heifers, as a percentage of total feedlot inventories, was 38.1 percent, up from the April 1 level of 37.6 percent. The number of heifers in feedlots would indicate that heifer retention is not underway to a significant level.

The July Cattle report provided a mid-year look at cattle inventories. The

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Still Looking for Replacement Heifers

report is tricky to interpret since there was no report last year for comparison. The report showed total cattle inventories at 94.2 million head, down 1.3 percent from the 2023 level. Most report categories were down in the two-year comparison as the industry was clearly liquidating through 2024.

The beef cow inventory was reported at 28.65 million head, down 1.5 percent from 2023 but up 2.8 percent compared to the January 1 level. Historically, this would indicate some herd growth in the first half of the year but there is little other data to corroborate this estimate. Beef replacement heifers for July 1 were 3.7 million head, down 5.1 percent from two years ago. The comparison of July to January beef replacement heifers was about the same as two years ago and does not indicate heifer retention. From the other inventory categories, the estimated supply of feeder cattle outside feedlots is 34.0 million head, the lowest in 29 years of available data.

Taken together, the July Cattle on Feed and the Cattle reports do not indicate significant heifer retention. My feeling is that some movement towards herd rebuilding may be starting but is very slow and cautious. It is possible, perhaps even likely, that the January 2025 beef cow herd will be the cyclical low, but the January 2026 inventory will likely be close to unchanged showing very little, if any, growth this year.

Derrell Peel, OSU Extension livestock marketing specialist, discusses heifer retention and how the lack of herd rebuilding is impacting the market on SunUpTV from July 21, 2025 at https://www.youtube.com/watch?v=JvQvhF-WJ-0

Cattle and Forage Management for Grazing Success

Evaluating pastures, culling open cows, and stockpiling fescue now can lower feed costs and improve herd productivity into spring.

Source: University of Missouri Extension

"Now is the time to prepare forage and cattle for the fall and winter grazing season," says Patrick Davis, University of Missouri Extension livestock field specialist. Proper management of cattle and forage right now leads to fall and winter grazing success as well as setting up your operation for spring.

Davis provides forage and cattle management suggestions for successful grazing through the fall, winter and into the future.

"Make sure the cattle that you are retaining are producing for you," says Davis. This is a good time to look through those records to identify poor-producing cows and cull them at weaning. Davis also recommends early pregnancy checking spring calving cows and replacement heifers to identify those open females so they can be culled at weaning. He suggests marketing these open replacement heifers as soon as possible to improve salvage value and reduce impact on feed resources and operation profitability.

"Properly utilizing forage resources and updating those resources can provide a feeding system that will reduce production cost for your cattle operation," says Davis.

Some suggestions to consider as you look at your forage program for fall and winter grazing and when updating your forage program for successful future grazing:

Evaluate your pastures

"Now is the time to evaluate those cool-season pastures and identify those weedy or thin stands," says Davis. Once those are determined, contact your local MU Extension agronomy field specialist about options for weed control or if renovation is required. If renovation is needed, begin this fall by smothering out the fall perennial forage and seeding in a winter annual mix of legumes, small grains and brassicas to provide late fall and winter grazing. Consult your local MU Extension agronomy field specialist on selecting forages and implementing a process that will make your grazing program successful in the future.

Stockpile fescue

"Stockpile fescue now for a cheap feed resource during the late fall and winter months," says Davis. Start stockpile preparation by clipping or grazing fescue pastures to 3 inches. Then apply no more than 40 pounds of nitrogen per acre to toxic endophyte-infected fescue pastures. If the pasture has novel-endophyte-infected fescue, then 60 to 100 pounds of nitrogen per acre can be added. Defer grazing these stockpiled pastures until late fall or early winter. Cattle producers should try to defer grazing toxic endophyte-infected fescue stockpile pastures until January, when concentrations of ergovaline have likely fallen below the toxic threshold level of 200 parts per billion. Strip grazing will increase grazing efficiency by improving forage utilization and reducing waste due to trampling and soiling with manure.

Incorporate idle crop ground in the grazing system

"Incorporating idle ground into the grazing system can be beneficial to the cropping and cattle operation," says Davis. Consider seeding a winter annual mix into your idle crop ground to provide high-quality forage to graze your cattle through the late fall and winter months. In addition to providing a high-quality forage for your cattle, the manure and residual forage will improve soil fertility, which helps the cropping system. Most of these annual mixes will require 60 days of growth from planting before initial grazing. For optimum utilization, use temporary electric fencing to allocate one to three days of grazing forage to your cattle. This extra high-quality forage might be a way to retain and put cheap gain on your spring-born weaned calves or incorporate a winter grazing stocker operation in your farming operation.

"As you feed more hay and supplement, cattle production costs increase," says Davis. Furthermore, "retaining open and low-producing females reduces your production efficiency," he says. These things reduce cattle operation profitability. "Hopefully, these suggestions lead to retaining productive females and promoting a productive forage base to efficiently feed your cattle, which promotes optimum operation profitability."

For more information, contact your local MU Extension agronomy and or livestock field specialist.

Beef prices are NOT the new egg prices

High beef prices are due to rock-solid demand, not at all like egg price hikes caused by avian influenza-induced shortages.

By: Nevil Speer

Beef and eggs. Mainstream media often struggles to get it right when it comes to food and agriculture. But what's even worse, sometimes those shortfalls are exploited to score political points. Case in point, CNN just recently ran an article titled "Beef Prices are the New Egg Prices."

The article explains, "The last time Americans likely noticed spiking prices at the grocery store was when eggs reached record highs. … Now, beef prices are hitting records, rising almost 9% since January, according to the Department of Agriculture, and retailing for $9.26 a pound."

- First, some color commentary: The quoted $9.26/lb. price applies to Choice beef cuts. USDA reports it for the purpose of calculating beef price spreads for a Choice fed steer. The agency is very careful in delineating the difference; the data file is titled "Choice beef values and spreads and the all-fresh retail value" (emphasis mine). For some context, the June's all-fresh retail price was $8.63 – up only 5% since the first of the year.
- Second, this discussion is timely. CNN's story dropped about the same time I wrote my recent column explaining that"retail meat price data reported by the Bureau of Labor Statistics (BLS) doesn't match up with actual scanner data." The latter more accurately reflects what's really being paid by consumers as it accounts for sale and/or promotional pricing – the principle being, BLS data overstates the true price consumers pay for beef.
- Last, the focus is on nominal prices – and doesn't provide any historical overview with respect to inflation. Through the first half of 2025, the average reported retail price (inflation adjusted) is $6.66/lb. – that's only 44-cents ahead of the previous peak in 2015. Meanwhile, the quality grade mix has shifted dramatically during the past 10 years (for more, see here).

Beef ≠ eggs. The beef/egg comparison is apples-and-oranges. Let's turn to the data:

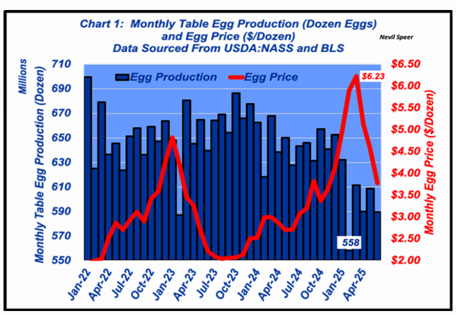
- Chart 1details monthly table egg production and subsequent retail price during the past several years. Price spikes occurred when the industry had to grapple with sharp declines in production due to avian influenza.
- Chart 2 outlines fed beef production during the past 15 years. While there's lots of discussion around tightening cow numbers, the industry has been amazingly productive. There've been no sharp cuts in fed beef supply (to the contrary, it has actually increased!). The decline in overall beef production has come on the bull / cow side of the business (see "Beef imports: Truth vs truthiness").

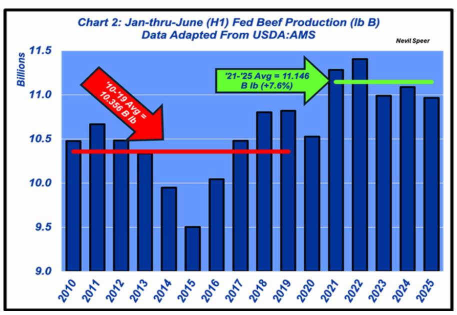
Politicization. Not surprisingly, the Coalition for Prosperous America immediately jumped on the CNN bandwagon. The group's X post on the story proclaims "There's a reason for [higher prices]," and features a graphic with R-CALF USA chief executive officer Bill Bullard explaining, "America's beef prices are soaring: Decades of dwindling herds, weak trade enforcement and globalist policies have set the stage for today's record-high beef bills." Something must be done!

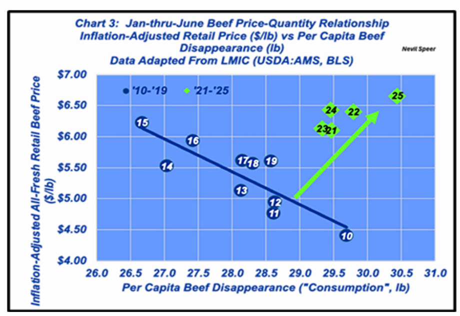
Build it, and they will come: Never mind the doomsayers. The marketplace tells the true story. Chart 3 depicts per capita beef disappearance ("consumption") and inflation-adjusted prices during the first half of the year (to ensure equal comps). Note the 2025 data point – it's the one furthest up and to the right. And that's happening in an increasingly crowded marketplace (see Table); that is, there's lots of opportunity for substitution if consumers were proving to be price sensitive.

CNN missed what's really happening: This isn't an egg-supply story; it's a beef-demand, growing-the-business story! Forty years of hard work – research and promotion – along with improved quality and consistency – are making the difference. Consumers like beef, and they're voting with their dollars!

Build it, and they will come.







What is the Value of Pregnancy Evaluation in the Beef Cow Herd?

By: Dr. Andrew Griffith, Assistant Professor, Livestock Marketing Specialist, Department of Agricultural and Resource Economics, University of Tennessee

What is the value of pregnancy evaluation in the beef cow herd?

The first thing most people think about is the out of pocket expense associated with pregnancy evaluation, and there is certainly a cost to doing it. However, there is also a cost to carrying a cow that eats and drinks and takes up space every day if she does not produce a calf that year.

A liberal cost estimate for pregnancy evaluation would be about $10 per head. Thus, it would cost about $300 for a 30-cow herd. If one animal is found to be open at the time of evaluation, how much grass, hay or other feedstuffs will that cow consumer in dollars between the time of pregnancy evaluation and when she should calve?

In most cases, pregnancy evaluation would take place between two and four months bred. If it is assumed that the cows would have six months between evaluation and calving then the person who did not perform an evaluation would feed an open cow for 180 days. How many open cows does it take to pay for pregnancy evaluation?

Cattle Prices Predicted to Continue Climbing: Breaking Down the Latest USDA Reports

Economists further breakdown USDA's Cattle on Feed Report and Cattle Inventory Report that were released on Friday. The Cattle Inventory Report showed the smallest U.S. herd in history and a smaller calf crop, plus the Cattle on Feed Report confirmed continued tightening numbers on feed.

By: Angie Stump Denton & Michelle Rook

With the release of the Cattle on Feed report and Cattle Inventory Report

on Friday, data shows the nation's cattle herd is still not expanding and feedlot placements continue to decline.

The exciting news for cattle producers is that based on the reports, Don Close, Terrain senior animal protein analyst, predicts cattle producers have not seen the highest cattle prices, yet.

"While I don't think we've seen the high water mark of this market, I do not think we'll continue to see prices escalate at the rate we have for the year to date," he says.

The on-feed total was 11.1 million head, down 1.6% from a year ago, the lowest in eight years. Placements were down 8%, the lowest in 16 years.

Derrell Peel, Oklahoma State University Extension livestock marketing specialist, says, "The placements came in substantially less than expected and as a result of that, it did change the on-feed number to about half a percent less than expected."

Close adds, "If you look at the decline in placements, specifically Texas, and those Southern feeding states, and the implications we're getting because of the border closure, to me, that's the real story in the long-term ramifications to the market."

He says the state-by-state breakdown confirms Texas placements down 18% compared to last year, Oklahoma down 27% while Iowa is up 21%.

"I think that's going to have a big impact on the north to south price spread that has been such a big issue in the market through 2025 year to date," he explains.

Kenny Burdine, University of Kentucky livestock agriculture economist, says: "The surprise of this quarterly Cattle on Feed report was June placements, which were down 8% from 2024 and outside the range of expectations. Marketings continue to suggest we may be pulling cattle ahead, but placements suggest we are not replenishing them at the same pace."

Heifers, as a percentage of on-feed inventory, came in at 38.1%. This is about a percent and a half lower than July 1, 2024, but up about half a percent from April of this year.

"Much like the beef replacement heifer estimate from the inventory report, this does not suggest much retention is occurring," Burdine says. "Any growth in beef cow numbers is coming from reduced cow slaughter."

Cattle Inventory Down 1% from 2023

The cattle inventory report was compared to 2023 since last July's report was cut. Close says it shows the smallest herd on record, with all cattle and calves down 1% at 94.2 million head.

He says the calf crop at 33.1 million is the biggest market signal.

"The real critical number is the calf crop number," Close says. "That was down 1% so it still shows, you know, we're going to see additional limits on the available number of potential placement or available cattle outside of the feedyard, again in 2026.

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