

Cow Country Reporter



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News from your CEO

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October in Louisiana is a month when we look forward to this busy season winding down, with the exception of our sugarcane industry which is just beginning to harvest. We in the beef cattle industry have for the most part sold our calf crop, have finished harvesting hay and for some are planting ryegrass. The weatherman is predicting a "super" El Nino with heavy rainfall, lower temperatures and yes, threats of tornadoes. We had a bullish Cattle On Feed report for September 1 which has resulted in higher prices for our calves and yearlings. The crossing of Mexican cattle into the U.S. got another entry point at Santa Teresa, NM. Coupled with Douglas,

Arizona an increase of cattle from Mexico will help fill empty feedlots along our Southern U.S. border. Are we in the U.S. starting to rebuild our cow herd? Will prices for our good Louisiana calves continue to get higher? How much will we have to pay for replacement heifers and cows going into the Fall of 2026 and the Spring of 2027? These are questions that need to be asked and discussions to follow. Enjoy the results of a good harvest and on October 12, 2026, stop, pause and reflect on what Columbus Day means to you and more importantly our country we call the United States of America!

Dave Foster, CEO

ANOTHER GATE OPENS: SANTA TERESA, N M , LIVESTOCK PORT RESUMES TRADE

Following Douglas, Ariz., Santa Teresa, N.M., becomes the second southern crossing to restart trade with mandatory EID tracking and screwworm safeguards.

By: Angie Stump Denton

Livestock trade resumed Thursday, Sept. 24, at the Santa Teresa Livestock Crossing in New Mexico. The Santa Teresa port is the second U.S. port to reopen as USDA gradually restores cross-border cattle movement following restrictions related to New World screwworm.

Historically, Santa Teresa is the highest-volume U.S.-Mexico livestock crossing, accounting for roughly 43% of all Mexican cattle imported into the U.S.

Strict Screening Triggers Day 1 Rejections

While state officials initially anticipated 1,000 head to cross on Day 1, only 408 head crossed Thursday, with an average weight of 600 to 700 lb.

According to New Mexico State Veterinarian Dr. Samantha Holeck, there were 686 head presented to the pre-export inspection facility (PIF) where SENASICA performed its inspection.

"More than 200 cattle were rejected for reasons such as castration sites that were not yet healed and presence of ticks (all dead but they had not been removed from the cattle)," she says. "The remaining cattle were presented to USDA for further inspection. After additional rejections due to issues such as lameness, the final total of 408 head were crossed into Santa Teresa."

Holeck notes some of the cattle were going to feedlots in Texas and others were going to facilities in New Mexico where they will likely be resorted and sent to other feedlots or stocker operations. More than 700 head were scheduled for inspection at the PIF on Friday.

EID Protocols and Veterinary Workflow

"The biggest challenges are implementing the new protocols for collection of electronic identification and complying with the new requirements to move cattle from the port of entry to their next destination," Holeck explains. "I was very pleased with the success of capturing the electronic IDs. The construction of the alley and incorporation of the necessary equipment was accomplished within days and worked extremely well."

She adds, "We still need to work through some finer details of efficiently relaying information to the veterinarian who is completing the electronic

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ANOTHER GATE OPENS: SANTA TERESA, N M , LIVESTOCK PORT RESUMES TRADE

certificates of veterinary inspection, but this is to be expected as this is a completely new protocol for everyone. With that being said, this was accomplished quite well yesterday, and I anticipate the process will get smoother as everyone becomes accustomed to the new process.”

Next Up: Columbus Port of Entry

The first crossing to reopen was the Douglas, Ariz., port on Aug. 24. If Santa Teresa’s opening proceeds smoothly, attention will turn to the port at Columbus, N.M., which has been discussed as next in line.

While early trade estimates projected 200,000 to 250,000 head crossing before year-end, market analysts caution the actual pace will be much more measured.

“Santa Teresa is the biggest port, but it’s going to start slow as well, and it’ll take it a while to get up to speed,” says Derrell Peel, Oklahoma State University Extension livestock market economist. “We don’t have that many weeks left before we get into the holidays. Between Douglas and Santa Teresa, we might get 100,000 to 125,000 head of cattle across by the end of the year.”

FEWER CATTLE PLACED, MORE CATTLE ON FEED

Fewer cattle entered feedlots last month, yet September inventory climbed as producers extended feeding periods for better returns.

By: Josh Maples, Mississippi State University Extension

USDA’s Cattle on Feed report showed September 1 inventory in feedlots with 1,000 head or more capacity was 11.16 million head, up 0.7 percent from a year ago. The on-feed number was above a year-ago level but was below pre-report estimates. This was a particularly interesting report that showed declining placements and marketings despite the higher overall on-feed number.

The big surprise came from the placements data, which showed sharply lower placements into feedlots than most analysts expected pre-report. August placements were reported at 1.62 million head, down 9.2 percent from 1.78 million last August. Marketings totaled 1.52 million head, down 3 percent but higher than pre-report estimates. August placements and marketings were the lowest for any August in the series going back to at least 1996. However, September 1 inventory still ranked fifth highest as cattle are being fed longer.

Placements were lower across all weight classes. Placements in Nebraska were down 14 percent, or 65,000 head fewer than a year ago, which accounted for 40 percent of the national decline. Kansas was down 7 percent to 440,000 head, Colorado was down 18 percent to 115,000 head, Texas was down 6 percent at 320,000 head, and Iowa was down 6 percent at 61,000. Oklahoma was the only state to place more cattle than a year ago, up 8 percent at 53,000 head.

This report is further proof of feedlots holding cattle longer than has been usual in the past. The share of inventory marketed each month, averaged over twelve months, has fallen to 14.1 percent. That rate averaged 16 percent from 2018 through 2023. Slower turnover is why on-feed numbers have run above year-ago for the past five months even as fewer cattle enter feedlots.

The takeaways from this report are supportive of cattle prices. Placements have run below year-ago levels in ten of the past twelve months, and the rolling twelve-month total has been under the prior year for 46 consecutive months. The past twelve-month placements now total 20.1 million head, down from 23.4 million four years ago. With the 2026 calf crop estimated at 32.5 million head, down another 2 percent, the trend of fewer placements over time will continue.

TURNING THE CORNER ON THE CATTLE CYCLE

Cow slaughter dropped 40% since 2022, reaching a projected record low culling rate of 7.3% in 2026 as producers hold cows longer.

By: Derrell Peel, Oklahoma State University Extension

There are some indications (and a lot of hope) that the beef cow herd is at a cyclical low after seven years of liquidation. The latest data from the July Cattle report showed continued liquidation, with the beef cow herd down 0.7 percent year over year at mid-year. Changes in beef cow culling and heifer retention are required to stabilize the herd inventory and begin herd expansion.

The first stage of turning a cattle cycle involves slowing herd liquidation and stabilizing the herd inventory at a cyclical low. Beef cow herd culling has been slowing since 2022 as producers have held cows longer. Beef cow slaughter decreased 40.5 percent from 2022 through 2025 and is down another 13.7 percent year over year thus far in 2026. This corresponds to a decrease in the beef cow culling rate from a record high of 13.2 percent in 2022 to a projected record low rate of 7.3 percent in 2026. The average beef herd culling rate over many years is 10.0 percent.

The sharp decreases in cow culling since 2023 means that more older beef cows now populate the herd. Beef cow culling must increase soon even though no significant heifer retention is indicated at this time. This is punctuated by the extremely low culling rate in 2026 (Figure 1). In data back to 1986, beef cow culling has only dropped below 8.0 percent twice before (2005 and 2015) and has never stayed below 8.0 percent for more than one year. After decreasing for four years, beef cow slaughter is likely to hold steady or increase in 2027 as old cows are culled. Unless sufficient replacement heifers are available, the beef cow herd will decline further in 2027.

Inventory data from January indicated a small increase of 42,000 head of beef replacement heifers in 2026. Since 2001, USDA has provided a breakdown of replacement heifer inventory into bred heifers (heifers expected to calve in the current year) and, by subtraction, heifer calves to be bred for next year. The number of heifer calves is always lower than the number of bred heifers the following year, which implies that some additional heifers (not initially reported as replacements) must get bred each year. I refer to these extra heifers as “impulse heifer breeding” because these heifers

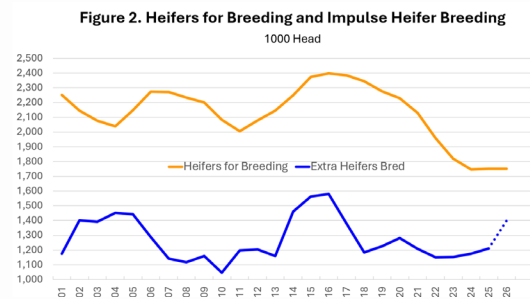
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TURNING THE CORNER ON THE CATTLE CYCLE

are presumably redirected from the “other heifer” category and used for breeding rather than feeding. Figure 2 shows the number of heifer calves each year and the calculated number of impulse heifer breeding. The vertical sum of these two sets of heifers in a year equals the reported number of bred heifers the following year.

If we project that the beef cow herd will show a slight increase in 2027 and that the beef cow culling rate increases above 8.0 percent, the implications for heifer retention can be calculated. The number of bred heifers would need to increase roughly 6 – 7 percent going into 2027. From Figure 2, we already know (from the 2026 Inventory report) that the number of heifer calves that could be bred in 2026 was unchanged from the previous year (orange line). This implies that a significant increase in impulse heifer breeding would be occurring in 2026, as shown by the dotted blue line in Figure 2. This may be happening. Heifer slaughter in 2026 is down 11.3 percent through mid-September. The mid-year Inventory report included a 100,000 head increase in beef replacement heifers that may include impulse heifers bred early in the year and reported as replacements in July. Impulse heifer breeding is likely to increase more and faster than reported heifer retention. Nevertheless, it is unlikely that the beef cow herd could show more than a slight increase at best going into 2027. The January Inventory report will confirm what has happened in 2026 and what may happen in 2027. Herd rebuilding may gain more momentum after 2027.

Derrell Peel, OSU Extension livestock marketing specialist, discusses wheat pasture challenges and says cattle markets are bouncing back after a challenging summer on SunUpTV from September 26, 2026. <https://www.youtube.com/watch?v=EebLfWmEa-o>



CHINA TRADE TALKS PROVIDE OPTIMISM FOR U.S. BEEF AND PORK ACCESS

Technical ag working group under U.S.-China Board of Trade is slated to meet before end of year.

Source: U.S. Meat Export Federation

U.S. Meat Export Federation president and CEO Dan Halstrom says he is cautiously optimistic about beef and pork trade issues after the U.S.-China trade talks last week. U.S. Meat Export Federation

High-level trade talks were held last week in conjunction with the summit meeting between President Trump and Chinese President Xi Jinping.

U.S. Trade Representative Jamieson Greer over the weekend offered new details on the progress made in last week's U.S.-China trade talks. In a statement, Greer confirmed that the two sides have agreed to separate trade of some non-sensitive goods under the recently established U.S.-China Board of Trade.

And while no breakthroughs were announced on trade, U.S. Meat Export Federation (USMEF) president and chief executive officer Dan Halstrom says he is cautiously optimistic about beef and pork trade issues.

Both U.S. beef and pork face retaliatory duties in China, and there are a number of non-tariff barriers, including the suspension of several U.S. beef processing and cold storage facilities (accounting for about half of U.S. fed beef capacity) and onerous and inconsistent inspection requirements.

“There’s a couple of things that stand out,” Halstrom said. “Number one, I think we’re especially encouraged that the two sides are really looking to separate trade between non-sensitive goods under the recently established U.S.-China Board of Trade. I think, in particular, U.S. beef and pork would be included, as well as variety meats, on this list of products to be considered for more favorable treatment from a duty standpoint. This also provides a path forward where we can maybe separate agriculture and specifically U.S. beef and pork from some of these other overlying high-level issues, whether they be Taiwan or anything else, for that matter. The reality is that our issues are mainly scientific trade issues that have to be worked out. The devil’s in the details, and I think this does provide us a path forward to get some clarification around some of the testing requirements that are required for U.S. beef and pork, for example.

No tariff changes have yet been announced.

“I think the tariff issue is always front and center, right? We are struggling at the moment with high retaliatory tariffs, and the discussions last week could very well lead to some relief in the tariff side,” said Halstrom. “Currently, our largest export market for pork variety meats is China, and we still have a 47% duty on U.S. variety meats going into China. So, number one, it’s important that we don’t have it go any higher and, number two, that we get it down to the more reasonable level we were at prior to when all this started. So, I think whether it’s variety meats or muscle cuts, for that matter, the path forward would have some opportunity here for some relief on the tariff side, which would really help, especially as I mentioned on variety meats. Cautiously optimistic is probably the tone, but there is a path forward.”

A technical agricultural working group under the U.S.-China Board of Trade is slated to meet before the end of the year. Halstrom says he is appreciative of the continued focus USTR has maintained on U.S. red meat access issues.

THE CULL COW MARKET STRUGGLES TO FIND STABILITY

By: Kenny Burdine, University of Kentucky

July and August were not kind to the cattle market, but September did bring some reason for optimism. Two weeks ago, I wrote about signs of price stability and last week Josh wrote about a relatively bullish September cattle on feed report. But this week I want to focus on the cull cow market, which is not showing any real signs of improvement. As I write this on September 28th, cull cow prices in Kentucky are down more than \$30 per cwt from their summer highs. The same is largely true in the Southern Plains, although those highs were put in a bit earlier.

I think the largest factor behind the recent weakness in the cull cow market was the announcement of the plan to increase imports for ground beef production. Cull cow and bull markets are largely driven by trim values and ground beef demand, so it stands to reason that they would be the most impacted. Based on the US Customs' Commodity Status Report for September 28th, about 37,000 metric tons (MT) tons had been imported under the new tariff rate quota (TRQ) since the first of the month. This is well shy of the September maximum of 100,000 MT. It is also worth noting that some of that beef was likely already coming into US as we have been consistently importing beef in excess of the previously existing multi-country TRQ. As more data becomes available, we may get a feel for any impact on retail ground beef price, but the negative impact on cattle markets was felt very quickly.

Second, we need to acknowledge that cow slaughter has ticked upward recently. Beef cow slaughter is still down 14% year-to-date, but the last couple weeks for which we have data has been very similar to 2025. Dairy cow slaughter has been running higher in 2026 and the combination of the two was actually above year-ago levels for the first couple weeks of September. A casual glance at the drought monitor would lead one to assume those widespread dry conditions are pulling more cows to market. This suggests greater supplies of domestic trim at the same time we have increased incentive for lean trim imports.

Finally, we need to remember that we are past peak demand for hamburger. While I think this is a minor part of the story, I don't want to ignore typical seasonal patterns that exist in cull cow markets. For the ten-year period from 2016-2025, the average decline in cull cow values in Kentucky from July to September was \$4-5 per cwt. This seems very small compared to the drop that has been seen over the last couple of months, but it is something that needs to be injected into the discussion. Cull cow prices tend to decline seasonally from summer to winter. The drop over the last couple months has just far exceeded the seasonal norm.

As we move through fall, both cow slaughter and trim import levels bear watching. While it appears that additional beef imports for September are going to be well less than 100,000 MT, I don't think one can deny the impact of that announcement on cull cow markets. At the same time, we usually see beef cow slaughter at its highest during the fourth quarter as spring born calves are weaned and culling decisions are made. Drought conditions in much of the country are likely to amplify that in 2026. This combination of factors make it hard to be bullish on this cull cow market as we move towards winter.

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