Cow Country Reporter

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News from your CEO

Grilling season is here or at least that is what the calendar says! Yes, Ma Nature may have a different game plan for us as she seems to be having most of 2026 so far. Let's pray that by Father's Day the weather gets back to "normal".

Speaking of normal, the cattle market has been anything but! Prices continue to break records, until the last week in May, where "fat cattle" in the 5 area Direct Trade (CO., IA-MN, KS, NE, TX-OK) reached $265.00 cwt. Then Memorial Day came and the fat cattle market and feeder cattle market fell out of bed. Hopefully, demand and supply will take over, and the market will get back heading higher. One thing we need to be aware of in the Southeast is that all the other cow/calf states have lower numbers going to market. Our area will have the majority of calves and yearlings for June-Aug. Our cattle runs pick up during this time and buyers looking for calves to turn out to summer grass will come to the Southeast where the supply of calves and yearlings will be in abundance. Check your marketing agent and keep abreast of the market during this time.

Enjoy the Summer and have a joyous Father's Day and don't forget to renew your membership for Cattle Producers of Louisiana!

Dave Foster, CEO

Cattle on Feed Report: First Year-Over-Year Inventory Increase in 18 Months

Higher placements and softer marketings push May COF report in a bearish direction. Yet analysts stress front-loaded feedlots signal timing shift, not a supply surge.

By: Angie Stump Denton

The May Cattle on Feed report came in slightly more bearish than many in the trade expected, driven by higher placements and softer marketings, but Derrell Peel, Oklahoma State Universty Extension livestock marketing specialist, cautions the numbers are more about timing than true supply growth.

USDA released its May 1 Cattle on Feed report on Friday, revealing an uptick in feedlot inventories. The number of cattle on feed as of May 1 rose 2% from a year ago, while placements increased by 6%. The data marks a shift in recent market directions, marking the first year-over-year inventory increase the industry has seen in 18 months.

Peel discussed the results with Michelle Rook on AgriTalk on Friday afternoon. He notes the market was braced for bigger placements, but the report still leans negative. He explains the numbers do not suggest any significant change in feedlot supply fundamentals but some changes in timing with feedlots slightly more front-loaded in the next few months.

"The placements were a little higher than expectations. Actually, the marketings were a tiny bit lower than average expectations as well. Taken together, this will probably be treated as an at least somewhat bearish report," he says.

Even so, Peel stresses the shift doesn't signal a fundamentally larger cattle herd. Instead, drought and strong prices pulled cattle forward. He adds that front-end loading includes more heifers going to town rather than being retained.

"We're probably still marketing some heifers that we might have been thinking about trying to hold back," he says.

Regionally, Texas stands out as an indicator of adjustment after disruptions to Mexican feeder imports.

"Their on-feed inventory now is back to year ago levels, which is the first time since the border closed," he says. "It does suggest that the industry is slowly adjusting to the reality we have right now, without those Mexican cattle."

Peel also separates last week's futures "meltdown" from the underlying cash picture.

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Cattle on Feed Report: First Year-Over-Year Inventory Increase in 18 months

"This is mostly a futures market thing," he summarizes. "We haven't changed the cash market fundamentals at all, and we certainly don't have more cattle. It's a short term thing. It's a correction. We'll bounce back."

For producers, the May report nudges sentiment more bearish in the near term, but doesn't undo the tight-supply story underpinning the broader cattle cycle.

Key Report Highlights

- Total Inventory: 11.6 million head on feed across 1,000-plus capacity feedlots, 2% above May 2025.
- Placements: 1.7 million head placed during April (6% above 2025). During April, placements of cattle and calves weighing less than 600 lb. were 330,000 head, 600-699 lb. were 245,000 head, 700-799 lb. were 390,000 head, 800-899 lb. were 457,000 head, 900-999 lb. were 210,000 head and 1,000 lb. and heavier were 70,000 head.
- Marketings: April marketings were slightly slower at 1.64 million, 10% below 2025.

May 2026 USDA Cattle on Feed highlights

Number of cattle on feed for 180 days or more is largest in series history.

By: Nevil Speer

The U.S. Department of Agriculture's Cattle on Feed report released Friday showed:

- May 1 cattle on feed (11.584 million head) was in line with pre-report estimates (average estimate = 101.4% of year ago).
- April placements totaled 1.70 million head, 106% versus 2025 – above the average pre-report estimate (103%).
  - o The 6-month placement total stands at 9.91 million head (97% versus the year-ago total).
- April marketings totaled 1.64 million head – 90% of the year-ago pace – slightly under pre-report estimates (90.5%).

Other items of interest:

Cattle on feed for 150 and 180 days or more totaled 3.53 million and 1.99 million head, respectively. The 180-day total was the largest in series history (344,000 head bigger versus the April 1 total – the previous record in the history of the series).

Beef production projected to decline slightly in 2027

Around 62% of the U.S. cattle inventory is in an area experiencing drought.

Source: USDA Economic Research Service

By: Russell Knight and Hannah Brooks, Economic Research Service agricultural economists

The outlook for beef production in 2027 is forecast at 25.310 billion pounds, a 0.9-percent decline from 2026. A slight decline in production next year is based on fewer cattle slaughtered that is only partially offset by heavier anticipated carcass weights. This expected decline in cattle slaughter next year is predicated on seven years of declining beef cow inventories (2020-26), which have led to smaller calf crops each year. This leaves cattle producers a smaller pool of calves from which to designate for the breeding herd or the beef value chain.

More specifically, in January, the U.S. Department of Agriculture's National Agricultural Statistics Service (NASS) estimated that producers retained more heifers for their breeding herds entering 2026 than the prior year. Higher heifer retention is likely to carry over with the 2026 calf crop, which is expected to be smaller. An overall small calf crop and increased heifer retention for breeding will further constrict calf supplies available for placement in feedlots in late 2026 and the first half of 2027. This supports fewer feedlot cattle marketed for slaughter in 2027.

In 2027, cow slaughter is also expected to decline as producers are anticipated to favor beef cow retention over culling from historically low beef cow inventories. This situation also supports a lower beef production forecast in 2027.

For a historical perspective, the chart below (left) indexes annual commercial beef production, steer and heifer slaughter, cow slaughter and average carcass weights to the estimates in 2000. According to the chart, 2027 production is forecast to be almost 11 percent lower than the record set in 2022 and at the lowest volume since 2016.

Further, the second chart below (right) shows per capita disappearance on a retail weight basis from 2013 to 2027. The disappearance of beef on the domestic market is calculated as the volume of production that remains for domestic use, including grocery stores and restaurants, after adding net trade and changes in cold storage volumes. Along with production declines forecast in 2027, exports are forecast to drop to their lowest level since 2015. The effect of lower production on domestic disappearance will be partially offset by lower exports and relatively large beef imports, the level of which is second only to the record import forecast for 2026. As a result, per capita disappearance in 2027 is forecast at 59.2 pounds, a 1.3-percent decline year over year but above the 10- and 20-year averages.

2026 beef production lowered on slower pace of marketings

Since last month's report, steer and heifer marketings for slaughter have slowed below expectations as feedlots still appear willing to add weight to the cattle while awaiting higher bids from packers. To the extent that the pace of marketings is slower than previously expected throughout the rest of the year, the outlook for 2026 beef production is lowered by 243 million pounds to 25.547 billion pounds, a 1.8-percent decline from last year.

The latest USDA-NASS Cattle on Feed report showed the April 1 feedlot inventory at 11.576 million head, 0.5 percent below the 11.638 million head in the same month last year. Feedlot net placements in March were more than 7 percent lower year over year at 1.659 million head. Following a very slow pace of marketings in February, marketings in March were 1.632 million head, up about 10 percent when accounting for an additional weekday available for slaughter compared to March 2025. The slower pace of marketings has kept the percentage of cattle on feed over 150 days historically elevated.

With respect to cow slaughter, current pastureland conditions are the worst and the most widespread since the last drought period in 2021-22. In the chart below, weekly pastureland conditions are given a score to provide an overall value. A relatively low or declining score suggests that pasture conditions are weakening.

Further, on May 12, 62 percent of the cattle inventory was in an area experiencing drought, this is compared to 29 percent the same week last year and 55 percent in 2022. This may hamper hay production and forage conditions,

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Beef production projected to decline Slightly in 2027

limiting producers' ability to expand their herds. While the current forecast assumes normal weather conditions over the summer months, more cows could enter the slaughter mix if drought conditions persist or worsen from the current situation.

Cattle prices to extend upward trend through 2027

Cattle prices in 2027 are expected to be modestly higher than the records currently forecast for 2026. This is based on a smaller anticipated calf crop in 2026 and more heifers retained for breeding to further tighten supplies available for placement in feedlots and for slaughter in 2027. The forecast for feeder steers weighing 750-800 pounds at the Oklahoma City National Stockyards is $382.00 per hundredweight (cwt.), a 1-percent increase from 2026. The forecast for slaughter steer prices in the 5-area marketing region (Colorado, Iowa, Kansas, Nebraska, New Mexico, Oklahoma and Texas) is $253.75/cwt., a year-over-year increase of 2 percent.

2026 cattle prices set new record highs

Since the previous month's outlook report, the weighted-average price for feeder steers between 750 and 800 pounds at the Oklahoma City National Stockyards set two new all-time highs: first, at $383.69/cwt. during the second week of April, and then at $388.06/cwt. during the first week of May. As a result, the weighted-average price for feeder steers in April was recorded at $377.07/cwt., about $79 above April 2025. During the first two weeks of May, feeder steer price averaged $380.42/cwt., showing continued year-over-year strength. Based on recent price data and tight calf supplies, the second-quarter forecast is raised by $12 to $379/cwt., the third and fourth quarters are raised by $13 and $15, respectively, to $380 and $384/cwt. The 2026 annual feeder steer price is forecast at $377.22/cwt., a 17-percent increase from 2025.

Weekly slaughter steer prices also established several new records from last month's report. This resulted in the April average price for slaughter steers in the 5-area marketing region reaching $249.05/cwt., a record for any month. Further, in early May, weekly prices climbed above $258/cwt. Based on April and early-May price data and feedlots slowing the pace of marketings, the 2026 price forecast is raised $8 from last month, with the annual price projected at $249.66/cwt., 11 percent higher than in 2025.

Beef exports

March exports totaled 207 million pounds, 19 percent lower year over year. Exports to nearly all major markets were lower year over year, including China (-97 percent), Japan (-18 percent) and Mexico (-14 percent). Exports for the first quarter totaled 586 million pounds, 18 percent below a year ago. As the chart below shows, exports to Taiwan through March were up 3 million pounds (8 percent), while exports to Hong Kong were up more than 20 million pounds (110 percent). Exports to the rest of the world are also up 13 percent. The export forecasts for the remainder of 2026 are unchanged from last month, with the annual forecast totaling 2.361 billion pounds, which, if realized, would be an 8-percent decrease year over year.

Beef exports as a percent of domestic production is a metric often used to discuss the export forecast. Over the last 10 years, exports have been consistently around 10-12 percent of domestic production. There are a wide variety of cuts and products produced by each individual beef carcass; several cuts are either not desired by U.S. consumers or are more highly valued in foreign markets (e.g., short plate cuts). Therefore, the expected level of domestic beef production is an important factor in the forecast for beef exports, in addition to anticipated price competitiveness and foreign beef demand.

Looking to 2027, U.S. beef production is forecast to decline just under 1 percent. The annual forecast for beef exports is 2.335 billion pounds, which would account for about 9.2 percent of production. For 2026, exports as a percent of production are also forecast around 9 percent, while the 5-year average is about 11 percent. The 2027 annual export forecast would be about 1 percent lower compared to the 2026 forecast and would be the lowest annual exports total since 2015.

Beef imports

March imports surged to 599 million pounds, a year-over-year increase of 19 percent. Contributing to the large year-over-year increase were imports from Brazil (26 percent), Mexico (39 percent), Australia (23 percent) and Uruguay (36 percent). Imports from Mexico reached over 75 million pounds, a record monthly high for that country. First-quarter imports totaled 1.709 billion pounds, a year-over-year increase of 15 percent. The chart below shows the largest contributor to the year-over-year increase in first-quarter imports was from the combined countries outside the top five, including Paraguay (51 million pounds), Argentina (29 million pounds), Uruguay (28 million pounds) and Nicaragua (27 million pounds). Imports from Brazil, Australia and Mexico also contributed to the increase, while imports from Canada and New Zealand were slightly lower year over year.

Reported exports to the U.S. from the major suppliers continue to indicate strong imports in the coming months. Weekly imports through April were also above a year ago, according to the USDA Agricultural Marketing Service's Weekly Imported Meat Passed for Entry in the U.S. report. Due to the continued strong pace of imports and demand for lean processing beef, the second-quarter import forecast is raised 150 million pounds to 1.625 billion. The third- and fourth-quarter forecasts are also raised 50 million and 35 million pounds, respectively. The annual forecast for 2026 is 6.109 billion pounds, a 12 percent increase year over year.

The 2027 import forecast is 6.0 billion pounds, which would be a 2 percent decrease year over year. The main reason for an expected decrease in imports — despite lower domestic production — is the availability of global beef supplies. Several major beef suppliers are expected to slow their expansions or contract in their respective cattle cycles during 2026, resulting in fewer exportable beef supplies available in 2027. High U.S. beef prices and sustained strong demand for imported lean processing beef will continue to pull product in and keep imports at a historically high level.

To see the charts referenced in this article [click here].

Just a friendly reminder...

Don't forget to pay your dues so we can keep working hard for you.

NO TIME TO KILL

Oregon initiative aims to redefine animal abuse, making the killing or injury of all animals illegal in the state.

By: Clint Peck

A movement on the West Coast to ban the killing of animals has been gaining more traction than most observers would have ever believed. Oregon Initiative Petition 28 (IP28) has gathered more than 120,000 signatures, which clears the initial 117,173-signature threshold required to tentatively qualify for Oregon's November 3, 2026, general election ballot.

Proponents of the People for the Elimination of Animal Cruelty Exemptions (PEACE) Act say passage of IP28 would amend Chapter 167 of the Oregon Revised Statutes in order to reduce the suffering of animals and improve their quality of life. The statute currently provides exemptions to laws governing animal abuse, animal neglect, and animal sexual assault.

Opponents and independent analysts argue that passing IP28 would criminalize and effectively ban:

- Animal agriculture: Criminalizing traditional farming, ranching, livestock breeding, and meat processing.
- Recreational and commercial fishing: Redefining catching fish or crabs as illegal animal injury or slaughter.
- Hunting and trapping: Completely outlawing the targeting of game animals across public and private lands.
- Pest control: Restricting common practices used to manage rodents and other animal pests.

The Oregon Farm Bureau says most concerning for agriculture, IP28 would redefine "sexual assault" to include routine animal breeding practices across all species and even domestic companion animals. The Farm Bureau says this would expose farmers, ranchers, veterinarians, animal breeders and all animal owners to criminal liability for standard, humane practices that are essential to food animal production.

The Farm Bureau adds that Oregonians would be forced either into a vegan lifestyle, or to rely on food imported from other states or countries. This would increase food costs for families, undermine local food security, and make Oregon dependent on the national and global food supply chain.

The Oregon Hunter's Association says IP28 is the third iteration of a movement first introduced by animal rights advocates in 2020, 2022, and 2024. Each version carried the same core goals but failed to gain enough signatures to place the initiative before Oregon voters.

The hunter's group says the initiative is backed primarily by out-of-state animal rights organizations and has faced consistent, broad-based opposition from Oregon's hunting, fishing, farming, and tribal communities.

The proponents of IP28 recognize that even if the initiative qualifies, the measure faces a steep uphill battle and is unlikely to secure the simple voter majority needed to pass this year. They say the immediate goal is to establish a recurring political framework, shift public consciousness, and keep forcing the conversation on animal rights into mainstream state politics.

"For us, a win would be getting on the ballot, just to make history by actually having the vote," said David Michelson, IP28's Portland-based chief petitioner in a The Oregonian/OregonLive interview last month.

"Vegans are visionaries," he said. "We hold a vision of a nonviolent future where all animals are free from human imposed commodification, suffering, and killing."

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