

# Cow Country Reporter



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News from your CEO

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Happy 250th Birthday America! I hope y'all had a safe, happy and enlightening 4th of July! Our country is amazing, despite what the news media says. Just ask the soccer fans and players from other countries who are here for the World Cup what they think. We get a chance to look back at our history and see how far we have come as a nation. For us in agriculture we can really appreciate where we are today and where we came from in just the last 100 years. Think about it !! From traveling by horse to traveling to the moon in a rocket.

We have completed 6 months of 2026, and cattle prices have held strong, setting new records. The week of June 29-July 4 the bulk of the livestock sales in the Southeast have shut down for the holiday. We are now in July and the start of our calf sales and guess what,

our good Louisiana calves will be in good demand from now until October because the "big" cow/calf states don't start selling their calf crop until November. The major beef packers are wanting feeders to feed cattle to heavier weights, 1400-1600 lbs., so therefore all our good Louisiana calves from 300-800 lbs. can go to wheat and backgrounders whereas 2 years ago our good 700 lb. plus calves were sharply discounted. So, keep in touch with your marketing agent and keep those baby calves alive and growing. At the end of June we had some crazy weather. Avoyelles and St. Landry parishes received 20 to 30 inches of rain in one day and in some cases that much in 6 hours. Reach out to your neighbors to see if they need help. Have a safe, healthy and prosperous July.

*Dave Foster, CEO*

## CATTLE ON FEED UP, BEEF PRODUCTION DOWN

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

The June Cattle on Feed report showed a feedlot inventory 2.1 percent larger year over year. This was the second consecutive month of larger feedlot totals (May was up 1.8 percent year over year) after 17 months of year over year decreases in cattle on feed inventories. However, a bigger feedlot total does not mean that cattle numbers are increasing. Feedlot inventories increased year over year in May and June because feedlot marketings have decreased more than feedlot placements. In the past twelve months, feedlot placements have decreased 6.1 percent while feedlot marketings have decreased 7.8 percent.

Decreased feedlot flows (placements and marketings follow from ever tighter feeder cattle supplies. The 2025 calf crop was the eighth consecutive smaller calf crop and was the smallest in 84 years. The resulting slowdown in feedlot production, while maintaining feedlot inventories, is accomplished by an increase in average feedlot days on feed and heavier final weights for fed cattle. The Kansas Focus on Feedlots data shows average of 188 days on feed for the last year, with recent months up to 198 days. Final fed steer weights in Kansas feedlots have increased 105 pounds in the past eighteen months, currently averaging 1523 pounds.

Lower feedlot production means declining cattle slaughter and beef production. Fed cattle (steer + heifer) slaughter in the first half of 2026 is down 8.7 percent year over year. Decreased fed cattle slaughter is partially offset by increased carcass weights. Steer carcass weights are currently at 968 pounds. Steer carcass weights have averaged 35 pounds heavier thus far in 2026. Heifer carcass weights are currently 884 pounds and are averaging 26.6 pounds more than one year ago. Cow slaughter is down 5.3 percent this year leading to total cattle slaughter down 8.1 percent for the year to date.

Total beef production is down 5.5 percent year over year through the first half of 2026. Average fed beef production is currently at the lowest level since 2017, and average nonfed (cull cow and bull) beef production is now at the lowest level since 2006. Average monthly commercial beef production is at the

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## **CATTLE ON FEED UP, BEEF PRODUCTION DOWN**

lowest level since late 2016. Total beef production is projected to be down 4.5 – 5.0 percent in 2026 compared to last year and is expected to decrease again in 2027 to the lowest beef production since 2015.

Derrell Peel discusses how recent rainfall across much of the United States is improving pasture conditions and setting the stage for cattle herd rebuilding as producers look toward the fall and beyond on SunUpTV from June 27, 2026. <https://www.youtube.com/watch?v=CAqojNC8Ks>

## **OQBN: AN EXTENSION SUCCESS STORY THAT CHANGED CALF MANAGEMENT AND INCREASED VALUE FOR PRODUCERS**

By: Paul Beck, Oklahoma State University Extension Beef Cattle Nutrition Specialist

For more than two decades, the Oklahoma Quality Beef Network (OQBN) helped Oklahoma cow-calf producers capture added value for calves managed to meet the needs of stocker operators, feedyards, and ultimately beef consumers. This program will close following the final official OQBN-certified sales in spring 2026. Looking back on the decades of success, we realize that QBN was more than a marketing program. It has been one of Oklahoma Extension's long-term beef industry success stories.

OQBN began as a collaboration between Oklahoma State University Extension and the Oklahoma Cattlemen's Association with the simple goal of helping producers document management practices that improve calf health, and make calves more predictable and more valuable. The OQBN VAC-45 program has built value around practical management. Calves had to be weaned at least 45 days, vaccinated, castrated and healed, dehorned and healed, identified with OQBN tags, and verified by Extension personnel. That verification gave buyers confidence that calves were managed according to a defined protocol and gave producers a clear way to document the work done before marketing.

The program's success never depended on one person or one office. It was a true Extension team effort involving a team consisting of the Oklahoma Cattlemen's Association, livestock markets, county Extension educators, area livestock specialists, OSU beef specialists, and veterinarians. Leaders including David Lalman, Gant Mourer, Jeff Robe, Paul Vining, and many others helped guide the program. Economic evaluation by Kellie Raper, Derrell Peel, and their graduate students documented the value of preconditioning.

The economic record was important. Across many years, OQBN calves sold for premiums over similar non-preconditioned calves at the same sales. Those premiums showed buyers were willing to pay for calves with reduced health risk, better management history, and greater confidence in performance after purchase.

The longer-term impact may be even greater than the sale premiums. OQBN helped teach producers, markets, and buyers what effective preconditioning looks like. Practices such as castration, dehorning, weaning, vaccination, bunk training, documentation, and Beef Quality Assurance are now more commonly discussed as part of routine calf management and marketing. Some producers adopted these practices through OQBN, while others now use similar practices through local auction-market programs, video and internet sales, or industry-based programs.

Although the formal OQBN program is concluding, its influence continues. OQBN helped move value-added calf management from a specialized marketing option toward a broader industry expectation. It showed that Extension can bring education, market access, economic analysis, and producer commitment together in a way that improves cattle management and returns more dollars to Oklahoma ranchers.

## **75% OF ECONOMISTS FORECAST SUBSTANTIAL ECONOMIC HIT IF SCREWORM OUTBREAK SPREADS**

*The June Farm Journal Ag Economists' Monthly Monitor reveals a majority of ag economists support reopening the Mexican border and rank weather and input costs as more immediate threats to the U.S. cattle herd.*

By: Angie Stump Denton

A case of New World screwworm (NWS) was confirmed in South Texas near La Pryor, on June 3. As of June 30, 27 cases have been confirmed in Texas and New Mexico.

Since the announcement, the feeder cattle futures markets reacted, initially falling more than \$5 cwt. across contracts on the day of the announcement but rallied the next day. There was no detectable impact on the cash market. Most economists agree the bad news had already been priced into the market.

"I would characterize it that it almost was a sigh of relief — it was a sigh of relief not that it's a good thing that we got it, but that we finally have it," explains Derrell Peel, Oklahoma State University Extension livestock marketing specialist. "We finally got it over with. The anticipation and the uncertainty of when it was going to happen was probably worse than the reality of it happening."

The latest Farm Journal Ag Economists' Monthly Monitor polled ag economists on how they think NWS will impact the economy if confirmed cases continue to increase. Farm Journal regularly reaches out to a vetted list of 80 ag economists from across the industry who provide directional insights. Here's how they responded to NWS-focused questions in June:

### **Screwworm Economic Impact: High Concern, but Not Yet "Catastrophic"**

A significant majority of agricultural economists expect NWS to impact the bottom line if it spreads beyond its current footprint.

75% of respondents anticipate at least a "moderate" (50%) or "significant" (19%) to "severe" (6%) economic impact. However, none of the respondents currently view it as a "catastrophic" threat (0%), suggesting they believe the risk is manageable if contained. This points to the fact producers should remain vigilant but focused on containment rather than panic.

The day after the announcement, Peel predicted NWS would not have much impact on cattle markets and beef markets. "We're not talking about any change in the supply fundamentals. It's just not going to have that kind of impact, so it's really not going to have that much market impact."

Peel says he still agrees with his statement nearly a month later. He does admit NWS is a huge management issue

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## 75% OF ECONOMISTS FORECAST SUBSTANTIAL ECONOMIC HIT IF SCREWORM OUTBREAK SPREADS

for the producers who are in an infested zone, as well as agencies and government trying to deal with it. "It's very costly, but it's not an overall market impact," he summarizes.

David Anderson, Texas A&M professor and Extension specialist for livestock and food product marketing, agrees the economic impact will occur in areas where NWS is confirmed because of the increased costs of checking cattle, treating any infested cattle and just the time and effort dealing with the pest.

He predicts the severity and duration of the outbreak will determine how big an impact it is. "I think it's also important to recognize that it is regional in nature," he adds. "The whole Southern tier of states could be susceptible."

### Mixed Reviews on USDA's Response

Confidence in the federal government's handling of the NWS outbreak is fragmented. While 33% rate the USDA's response as "adequate" and 7% say it is "more than adequate," a notable 20% view it as "somewhat inadequate."

The largest single group (40%) says it is "too early to assess," indicating the industry is in a "wait and see" mode regarding the effectiveness of current mitigation strategies.

Anderson says he is a little surprised by the response on current mitigation strategies.

"Sterile flies work. We know how to control this pest," he says. "If I had to fault anything, I think it was a real mistake not getting started on a new sterile fly production facility as soon as the flies started moving north in Mexico."

### Support for Reopening the Mexican Border — With Strings Attached

Despite the entry of NWS into the U.S., there is a strong consensus on how to handle trade with Mexico.

71% of ag economists support reopening the border for cattle imports. Crucially, 64% of respondents specify that this should only happen with "enhanced inspection and treatment protocols." Only 29% believe the border should remain closed entirely.

These statistics point to the fact trade remains vital, but biosecurity at the border is the top priority.

Anderson says he would not have closed the border to begin with, adding the closure had bad consequences for the cattle industry on both sides of the border.

"Cattle feeders and meat packers lost an important supply of cattle and that has contributed a little bit to higher prices by cutting supplies," he explains. "It has resulted in sharply lower cattle prices to ranchers in Northern Mexico. Those feeder cattle have stayed there, been fed there, and are part of increasing Mexican beef production and our imports of beef from Mexico are increasing. We have exported some beef production from the U.S. to Mexico and have lost some value-added agriculture here."

Kenny Burdine, University of Kentucky livestock agriculture economist, adds, "U.S. feedlots depend on Mexican cattle imports and U.S. harvest capacity is larger because of those imports. It is also important to note that Mexico is increasing the number of cattle they finish and process as a result of the import ban. This means that they will likely continue to increase domestic production and be a more significant competitor going forward as the border remains closed."

Peel says when the border opens, he does not expect many cattle to come across initially. "I would not expect to see very many cattle come before fall," he predicts, due to the time to re-open the ports and the time for producers to get their cattle ready plus July and August are a terrible time to ship cattle.

### Ranking the Threats: Weather and Markets Still Outpace Pests

When asked to rank threats to sustainability and profitability, NWS is a serious concern but currently ranks below other economic and environmental drivers.

**The Top Threat:** Drought/Weather (Mean: 2.13) remains the undisputed king of concerns.

**Market Pressure:** Retail beef prices/demand (3.33) and Input costs (4.07) are seen as more immediate threats than biological ones.

**Pest Pressure:** NWS and other pests (Mean: 4.60) rank in the middle of the pack — more concerning than wildfires (5.27) or wolves (7.40), but less pressing than the immediate financial health of the market.

"While NWS is a threat and will be a challenge for operations impacted, I agree that dry conditions in much of the county are likely a larger threat," Burdine says. "I also am concerned about how consumers will respond to retail price levels, especially as we push through the summer grill season."

Anderson agrees drought is the big threat. "If we had not had a series of droughts over the last few years across cattle producing areas, we would have more cattle and higher beef production today," he stresses. "Drought is a significant factor in slowing herd expansion. Beef demand has been very good and is the reason prices are so high today — we would have higher prices based on tighter supply alone but in combination with growing demand we sit at record highs."

He does not predict NWS will have an impact on consumer beef prices.

"Don't forget the wildlife side of this," Anderson adds. "Deer hunting is a big economic activity. NWS has the potential to be devastating to wildlife populations and that could have a huge impact including on ranchers who gain a significant part of their revenue from hunting leases."



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## **USDA LAUNCHES \$500 MILLION SPUR PROGRAM TO FORTIFY INDEPENDENT BEEF PROCESSORS**

*Aimed at stabilizing regional markets amid 75-year herd lows, the new program offers a financial lifeline to non-dominant, U.S.-owned packers.*

By: Angie Stump Denton

In a move to shore up a thinning middle market for American cattle, Agriculture Secretary Brooke Rollins announced the Strengthening Processing for U.S. Ranchers (SPUR) Program Tuesday, June 30. The initiative will deploy up to \$500 million in payments to eligible beef processing plants, aiming to protect the independent infrastructure ranchers rely on as the national cattle herd continues to hover at historic lows.

“America’s ranchers deserve a competitive marketplace that rewards their hard work,” Rollins says, noting tight cattle supplies, foreign ownership of major packers and the reemergence of the New World screwworm have created a “perfect storm” of market pressure.

### **The Bottom Line for Producers**

The program specifically targets the independent and regional plants. By providing financial stability to these mid-sized entities, the USDA hopes to ensure that as the herd eventually enters a rebuilding phase, the processing capacity is still there to handle the volume.

“Beef packers from the very large to the very small, are losing millions of dollars a week due to the tight cattle supply while the industry struggles with the smallest US cattle herd in 75 years. Packers of all sizes are reducing shifts and some have been forced to close facilities. We simply need more cattle,” says Meat Institute President and CEO Julie Anna Potts. “The program USDA announced today will help some of the Meat Institute’s members, but it will not increase the cattle supply. Government policies intended to reduce the rising cost of beef for consumers should give cattle producers the certainty they need to retain heifers and grow the herd.”

The USDA release says the program also directly supports the department’s Plan to Fortify the American Beef Industry and the Small Processors Action Plan by ensuring American ranchers have access to regional processing capacity they rely on to support branded and value-added beef programs, such as the Product of USA label that USDA started promoting earlier this year. Maintaining regional processing capacity is also a key part of the Make America Healthy Again movement by ensuring access to high-quality protein in alignment with the new Dietary Guidelines for Americans.

### **Who Qualifies?**

To be eligible for SPUR funding, processing establishments must meet the following criteria:

- Inspection Status: Must be under federal inspection or participating in the Talmadge-Aiken or Cooperative Interstate Shipment (CIS) programs.
- Ownership: Must be U.S.-owned.
- Market Share: Must not be “nationally dominant.” The USDA defines this as any entity with a market share smaller than the current fourth-largest beef processor.

### **How to Apply**

The Farm Service Agency (FSA) will administer the payments. Rather than a general open call, the USDA is using existing data from the Food Safety and Inspection Service (FSIS) to contact eligible entities directly. According to the press release, if a facility is on file with FSIS and meets the criteria, it can expect outreach regarding the application process shortly.

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