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Cattle Markets Thus Far and the Road Ahead

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

After a tough summer, cattle markets are recovering in September. What began as a typical market correction in July was extended through August and into early September due to numerous political announcements, the closure of another packing plant and the opening of the Mexican border. By mid-September, underlying supply and demand fundamentals reasserted themselves and cattle markets started recovering somewhat, aided by a slower pace of headlines and political uncertainty.

The plan announced in late August to allow up to 300,000 metric tons (661 million pounds) of beef imports with no over quota tariff hit cattle markets hard. Under this plan, increased imports of beef trimmings of up to 100,000 metric tons per month may occur in September, October and November. It is unlikely that the total quantities will happen due to the short time frame and because the market was already importing about as much beef as needed. This plan may change sources somewhat, favoring Brazil and possibly other South American countries, but is likely to have a limited impact on total beef imports. Most of the imported trimmings will be used for ground in the food service sector and consumers probably will not see much, if any, change in retail ground beef prices.

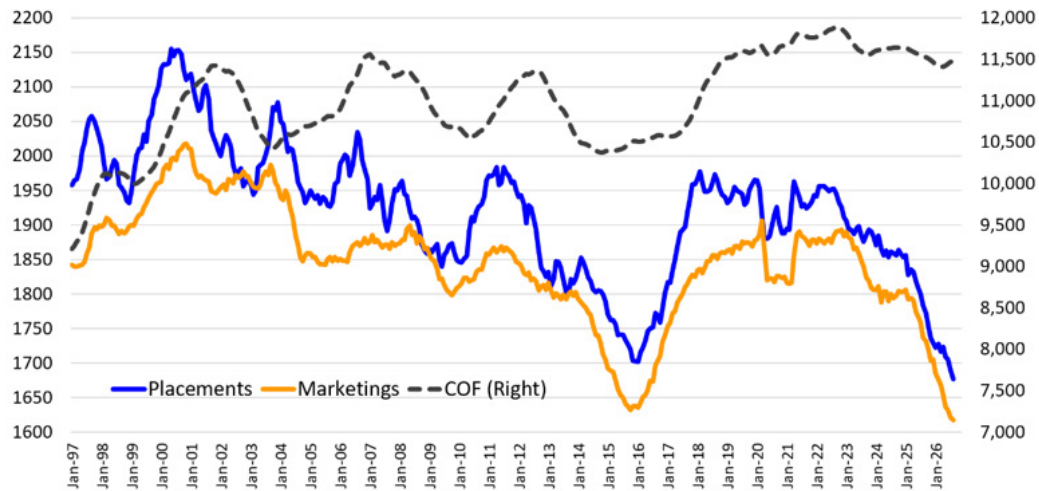
The September Cattle on Feed report pegged feedlot inventories at 11.163 million head, 0.7 percent larger year over year. However, August feedlot placements were down 9.2 percent year over year. Marketings in August were down 3.3 percent from one year ago. On-feed totals have been larger for the last five months because marketings have decreased more than placements with marketings down 7.0 percent in the past 12 months compared to a 6.0 percent decrease in placements.

Figure 1 shows the contrast between the feedlot inventory and fed cattle production. Average feedlot inventories reached a record level in September 2022 and have decreased just 4.0 percent into 2026. In fact, feedlot inventories have been higher for five consecutive months creating an illusion of increased cattle numbers. However, average feedlot marketings have decreased 14.6 percent since November 2022 and are currently at a record low for the data back to 1997. Reduced feedlot placements and marketings reflects the decrease in calf production in this cyclical liquidation. The 2026 calf crop is projected at 32.5 million head, down 3.79 million head or 10.4 percent from the 2018 cyclical peak.

Cattle Markets Thus Far and the Road Ahead (continued)

Figure 1. Cattle on Feed, Feedlot Placements and Marketings

Monthly, 12 Month MA, 1000 Head



Decreasing fed cattle production causes year over year decreases in cattle slaughter (Table 1). Steer slaughter is down 5.2 percent thus far in 2026 after declining 4.3 percent year over year in 2025. Heifer slaughter is declining faster, down 10.9 percent in 2026 and down 7.3 percent in 2025. Total fed slaughter is down 7.4 percent for the year to date in 2026.

Beef cow slaughter is down 13.7 percent for the year to date and has declined by double-digit percentages since 2022. Total beef cow slaughter declined 40.5 percent from 2022 to 2025. Dairy cow slaughter declined from 2023 -2025 but is up 4.6 percent thus far in 2026. Bull slaughter decreased 20.9 percent from 2022 – 2025 and is down another 4.6 percent thus far in 2026.

Table 1. Cattle Slaughter by Class, 1000 Head, Federally Inspected

	2022	2023	2024	2025	% Change 2024-2025	YTD* % Change 2025-2026
Steers	15,811	15,076	15,184	14,536	-4.3	-5.2
Heifers	10,292	10,034	10,004	9,277	-7.3	-10.9
Fed Total	26,103	25,109	25,188	23,813	-5.5	-7.4
Beef Cows	3,952	3,516	2,855	2,351	-17.7	-13.7
Dairy Cows	3,047	3,076	2,726	2,641	-3.1	+4.6
Cows Total	6,999	6,592	5,580	4,992	-10.5	-4.1
Bulls	565	532	490	447	-8.9	-4.6
Cattle Total	33,666	32,233	31,258	29,252	-6.4	-6.8

Drought Hay Management Tips To Limit Losses

Brian Freking, Southeast Area Livestock Specialist

1. Feed only about one day's worth of hay at a time

Hay waste goes down when you restrict the daily amount offered, while feeding two or more days' worth at once can push waste above 25%. This can also be done by restricting the amount of time animals have access to the hay bales.

2. Feed hay stored outside before hay store inside

Hay stored outside usually has more spoilage during storage and lower palatability than hay stored inside. Cattle will waste a greater percentage of poor-quality hay than they will of good-quality hay. Animals fed high-quality hay early in the season will often refuse poor-quality hay when it is offered later.

3. Use a feeder instead of feeding on the ground.

Feeding hay in a ring or feeder with solid sides at the bottom helps reduce waste.

4. Upgrade feeder design if possible.

Feeder type makes a big difference: open bottom round bale feeders can waste up to 30%, and cone-style or basket feeders less than 10%.

5. Avoid ground-feeding processed hay or crop residues. Losses from feeding these on the ground can reach 40%, so a bunk is a better choice.

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Figure 1. Losses can run as high as 50 percent if hay is not fed properly without some management.



Figure 2. A hay ring permits feeding of large round bales in the field with minimal loss.

Muddy Water and Salty Water Are Not the Same Problem

David, Lalman, Oklahoma State University Animal Science Department

Weeks of extreme heat and limited rainfall can change cattle ponds quickly. Water levels decline, while cattle often spend more time standing in ponds to cool themselves. Hoof action stirs sediment, and more manure and urine are deposited directly into a smaller volume of water. The result may be a shallow, warm and muddy pond.

Muddy water attracts attention, but turbidity and salinity are not the same thing. Turbidity is caused primarily by suspended clay, soil and organic matter. It can reduce palatability and signal increasing erosion or contamination, but muddy appearance alone does not tell us whether water contains dangerous concentrations of dissolved minerals. Conversely, clear water can contain excessive salts, nitrate or sulfate.

As pond water evaporates, dissolved minerals remain and become more concentrated. Total dissolved solids (TDS) is a useful screening measure, although TDS itself does not identify which minerals are present. Water containing less than 3,000 ppm TDS is generally considered satisfactory for cattle. Water containing 3,000 to 4,999 ppm is usually satisfactory, although cattle may initially refuse it or experience temporary diarrhea. Water containing 5,000 to 6,999 ppm is considered marginal and should generally be avoided for pregnant or lactating cattle. Water exceeding 10,000 ppm is considered unsafe. Regardless of TDS, nitrate and sulfate concentrations deserve individual attention.

In an Oklahoma State University study, cattle offered water containing up to 5,878 ppm TDS under relatively cool conditions did not significantly change water intake, forage intake or diet digestibility. However, that small, short-term study should not be interpreted to mean that water near 6,000 ppm TDS is safe during prolonged heat, lactation or other stress.

More commonly, declining pond conditions may reduce performance before causing obvious toxicity. Warm, shallow water with increased manure contamination can promote bacterial and algal growth and develop objectionable tastes or odors. If water intake declines, forage intake often follows, potentially reducing weight gain and milk production.

Test a sample representative of what cattle are actually drinking. A livestock water analysis should include pH, TDS or electrical conductivity, nitrate, sulfate, chloride and major minerals. The Soil, Water, and Forage Laboratory at Oklahoma State Charges \$18 for a comprehensive livestock water chemical analysis. Be sure to watch for algae, unusual odor or color, diarrhea, reduced grazing time, hesitation to drink, or a strong preference for an alternative water source. When the animals' behavior tells you they don't like to drink the water, it is time (perhaps past time) to intervene.

Longer term, limiting direct pond access and delivering water through a gravity-fed tank or trough behind the dam can reduce bank erosion, sediment disturbance and manure deposition. If pond access for cooling is restricted, provide adequate shade and plenty of clean water. Cool water consumption also serves to dissipate heat and cool the animals.

Turbidity is a visible warning, not a diagnosis. Water can look muddy and be chemically acceptable or look clear and contain harmful dissolved compounds. When pond conditions change, test the water or in the case of the water source becoming unpalatable, be prepared to provide a different water source.



Managing Bovine Anaplasmosis in Cow Calf Herds

Rosslyn Biggs, DVM, Assistant Ext Specialist/Director Continuing Education-Beef

Bovine anaplasmosis remains one of the most important infectious diseases affecting the U.S. beef industry. The disease is caused by the rickettsial bacterium, *Anaplasma marginale*, and can result in significant economic loss due to death loss, decreased performance, and reproductive impacts in affected herds.

Anaplasma marginale infects red blood cells and causes their destruction, resulting in anemia. Early clinical signs may include fever, weakness, decreased appetite, and pale mucous membranes. As the disease progresses, cattle may develop jaundice, incoordination, aggressive behavior associated with reduced oxygen delivery to the brain, and death. Abortions and retained placentas may also occur. Clinical signs typically develop four to eight weeks after infection and are most severe in cattle older than two years of age.

Cattle that recover from infection typically become lifelong carriers. They typically do not show clinical signs but serve as a reservoir of infection within the herd. Carrier animals may occasionally develop clinical disease again during times of stress such as pregnancy, transport, or exposure to a different strain of the organism. Currently, there are no approved treatments in the U.S. that reliably eliminate the carrier state.

Transmission occurs primarily through the transfer of infected blood. Ticks and biting flies can spread the organism between animals. Processing practices can also contribute to spread when contaminated equipment such as needles are used on multiple animals. In some cases, infected cows may transmit the organism to calves before birth.

Due to carrier animals, many herds eventually develop what is known as endemic stability. In these situations, most animals are exposed at a young age and develop immunity with minimal clinical disease. However, management changes, introduction of naïve cattle, or other disruptions to herd immunity can lead to outbreaks of clinical disease.

Treatment of clinically affected cattle requires careful handling because severely anemic animals may die if excessively stressed. Injectable oxytetracycline and oral chlortetracycline (CTC) are commonly used antimicrobial options for treatment and control of the disease. Supportive treatment such as blood transfusions may be necessary in severe cases.

Oral CTC, often delivered through medicated mineral supplements, is frequently used to control clinical signs of anaplasmosis in grazing cattle. However, recently published research in *The Bovine Practitioner* by Jumper, et al. at Mississippi State University, evaluated how cattle consume free choice medicated mineral.

In this study monitoring beef cows on pasture, on average 27% of cows consumed mineral on any given day. The average dose of CTC consumed was approximately 0.53 mg per kilogram of body weight per day, which is roughly half of the labeled dose intended for anaplasmosis control. The vast majority of the cows consumed less than the recommended dose. Also, as cow age increased, feeder visits became less frequent and total consumption of CTC-medicated mineral declined.

Effective anaplasmosis control requires a combination of management strategies. Producers should work with their veterinarian to evaluate herd infection status, test newly purchased animals when appropriate, implement fly and tick control programs, and avoid reusing processing equipment. As research continues to improve understanding of this disease, careful antimicrobial stewardship and strong herd biosecurity will remain essential components of long term control programs.

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Drought Shocks and Replacement Heifer Value

Alberto Amador, West Area Agriculture Economics Specialist

Drought plays a significant role in the cattle cycle, during significant dry seasons cattle slaughter increases due to lack of forage (Leister et al., 2015). This correlation could be explained by partial herd liquidation, a common strategy to manage grass scarcity and protect margins. Herd liquidation generates cash flow and reduces total forage demand but negatively impacts cattle supplies. Based on this, weather and market conditions in recent years may have contributed to historically low cattle inventory and high cattle prices.

To stabilize cattle inventory, reduced cow culling and increased heifer retention are necessary. Historically high calf prices promote heifer retention. According to the latest report, heifers held as cow replacements inventory increased by around 1% year-over-year. Hence, this small growth could be interpreted as the beginning of herd expansion. Cattle prices and drought are the most relevant factors in this decision. Weather conditions drive management strategies while prices influence marketing decisions (Bastian et al., 2023).

Both factors, drought and prices, are crucial in the heifer retention decision. A common method to evaluate retaining or selling heifers is calculating Net Present Value (NPV). In general, NPV measures the profitability of an investment by comparing the present value of expected net returns, including the opportunity cost of the rejected investment. Basically, NPV compares the current value of keeping a heifer with selling her today.

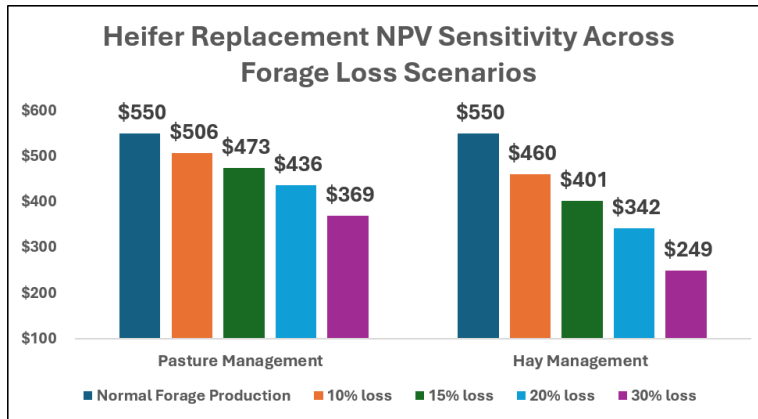
Drought affects cow-calf economics primarily through forage availability. In some conditions and management situations, drought effects can carry over into a consecutive grazing season, affecting forage recovery and production (Porensky et al., 2026). Forage scarcity could increase the need to buy hay or supplemental feed, adjust stocking rates, or cover post-drought management expenses, all of which increase the herd's costs. Therefore, under the heifer retention dilemma after a significant drought there are extra costs that must be considered alongside the rest of the cow and heifer expenses.

To show economic drought impacts, I estimated additional costs to cover forage losses during the first two years using two drought management strategies: 1) adding hay and supplements and 2) increasing pasture acres. Chart 1 illustrates the sensitivity of NPV to different drought management strategies and illustrative forage loss scenarios at 0%, 10%, 15%, 20%, and 30%. For this example, under normal pasture conditions the NPV is \$550. With the extra hay strategy, the NPV decreases from \$550 to \$249 as forage loss increases, while under the pasture strategy it decreases from \$550 to \$360.

Everybody knows drought makes cow-calf production more expensive. However, what is often overlooked is how a dry year impacts a multi-year decision. As the prior example shows, drought effects on forage don't just shrink margins in a single year, they can reduce the NPV by 16%-55% with supplemental feed strategy, depending on the level of forage loss. This drop doesn't mean an unprofitable investment, but it narrows the financial buffer against future shocks over a cow's productive life. During heifer retention evaluation, the cost of drought should be incorporated into the expected future cash flows because current forage conditions can impact the economics of a long-term decision. In addition, risk management programs such as PRF Insurance and LFP are useful tools to manage drought risk and forage financial effects.

Drought Shocks and Replacement Heifer Value (cont.)

Chart 1



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What Are Cattle Buyers Looking at in the Sale Ring? A Teaser...

Kellie Curry Raper, Professor and Livestock Marketing Specialist

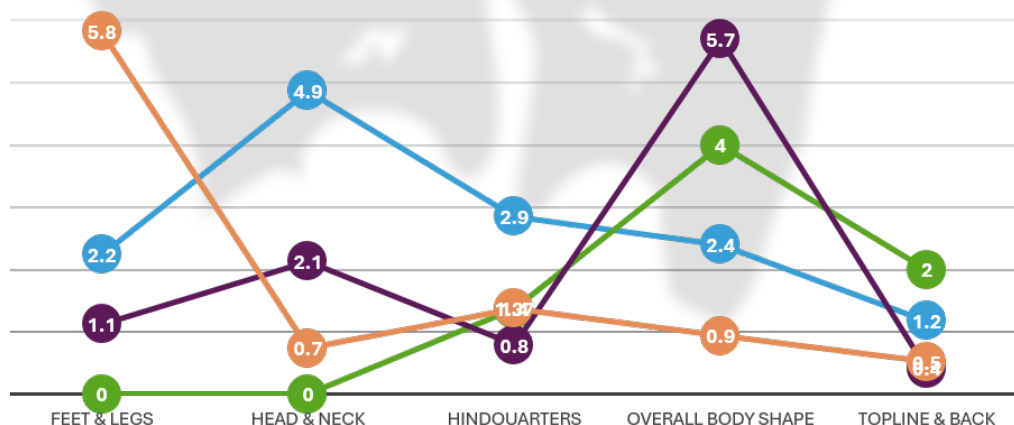
Fall is sale barn data collection season for me, often accompanied by a student or two. For some of them, it is a brand new experience. There is usually a point where – just for fun - I challenge them to figure out who is bidding for the cattle in the ring. For those of you who are sometimes one of those bidders, thank you for continuing to make this a fun challenge for my students! An interesting related topic that is even harder to observe is where are cattle buyers' eyes actually focused as they visually assess stocker and feeder cattle. And what can we learn from that information? One technology that can help us do that is eye-tracking technology.

In this chart from last year's pilot eye-tracking study by OSU Agricultural Economics, each bubble represents how much time a particular buyer spent

looking at defined areas of a feeder calf's side profile. An individual buyer's results are tied together by lines. You can see that the 4 buyers were fairly similar in time spent on topline and back, but had some pretty significant differences as they looked at other parts of the calf.

We are launching a more extensive cattle buyer eye-tracking study soon. Over the next several months, you may see us set up at the back of a local cattleman's meeting, at trade shows, or at Extension meetings. If you do and you are someone who buys stocker/feeder cattle, please consider giving us 15 minutes of your time. You'll get to try out the glasses AND help a graduate student and some FFA students with their research projects!

Total Fixation Duration, Seconds



Upcoming Farm Transitions Workshops

Shannon Ferrell, Professor, Ag Economics Department

Fewer than one in three farmers and ranchers have any form of tools in place to ensure their operation can successfully make the transition from the current generation to the next generation. If you or someone you know is trying to create a path toward the future of their agricultural operation, we can help! In partnership with the Noble Research Institute, OSU is hosting a series of one-day workshops to walk farm families through the five steps of the farm transition process. Registration for the workshop includes a Farm Transition Workbook, meals and continued support following the workshop. Discounts are also available – the more family members you bring, the lower the cost per person! Attendees at one of the one day workshops are also eligible to participate in the two-day advanced transitions course coming in 2027.

- The workshops will be held at the following locations:
- Oct. 16, Claremore, Rogers County Fairgrounds
- Oct. 26, Guymon, Farm Credit of Western Oklahoma
- Oct. 28, Lawton, Great Plains Technology Center
- Nov. 16, Woodward, Woodward County Fairgrounds

To register, use this link:

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