

Navigating the Unknowns for Stocker Operator

K-State Beef Stocker Field Day, September 25, 2025



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Quarterly Forecasts (LMIC: 9/15/25)

Year	Comm'l	% Chg.	Average	% Chg.	Comm'l	% Chg.
Quarter	Slaughter	from	Dressed	from	Beef	from
		Year Ago	Weight	Year Ago	Production	Year Ago
2025						
I	7,524	-4.2	869.6	4.1	6,543	-0.2
II	7,447	-7.0	866.4	2.7	6,453	-4.6
III	7,466	-6.7	865.4	2.1	6,461	-4.7
IV	7,534	-5.4	880.3	1.9	6,632	-3.6
Year	29,971	-5.8	870.5	2.7	26,089	-3.3
2026						
I	7,156	-4.9	883.0	1.5	6,319	-3.4
II	7,089	-4.8	877.6	1.3	6,221	-3.6
III	7,137	-4.4	873.9	1.0	6,237	-3.5
IV	7,100	-5.8	890.0	1.1	6,319	-4.7
Year	28,482	-5.0	881.1	1.2	25,096	-3.8
2027						
I	6,817	-4.7	894.1	1.3	6,095	-3.5
II	6,744	-4.9	888.4	1.2	5,992	-3.7
III	6,808	-4.6	885.2	1.3	6,026	-3.4
IV	6,860	-3.4	901.8	1.3	6,186	-2.1
Year	27,230	-4.4	892.4	1.3	24,300	-3.2

Data Source: Livestock Marketing Information Center

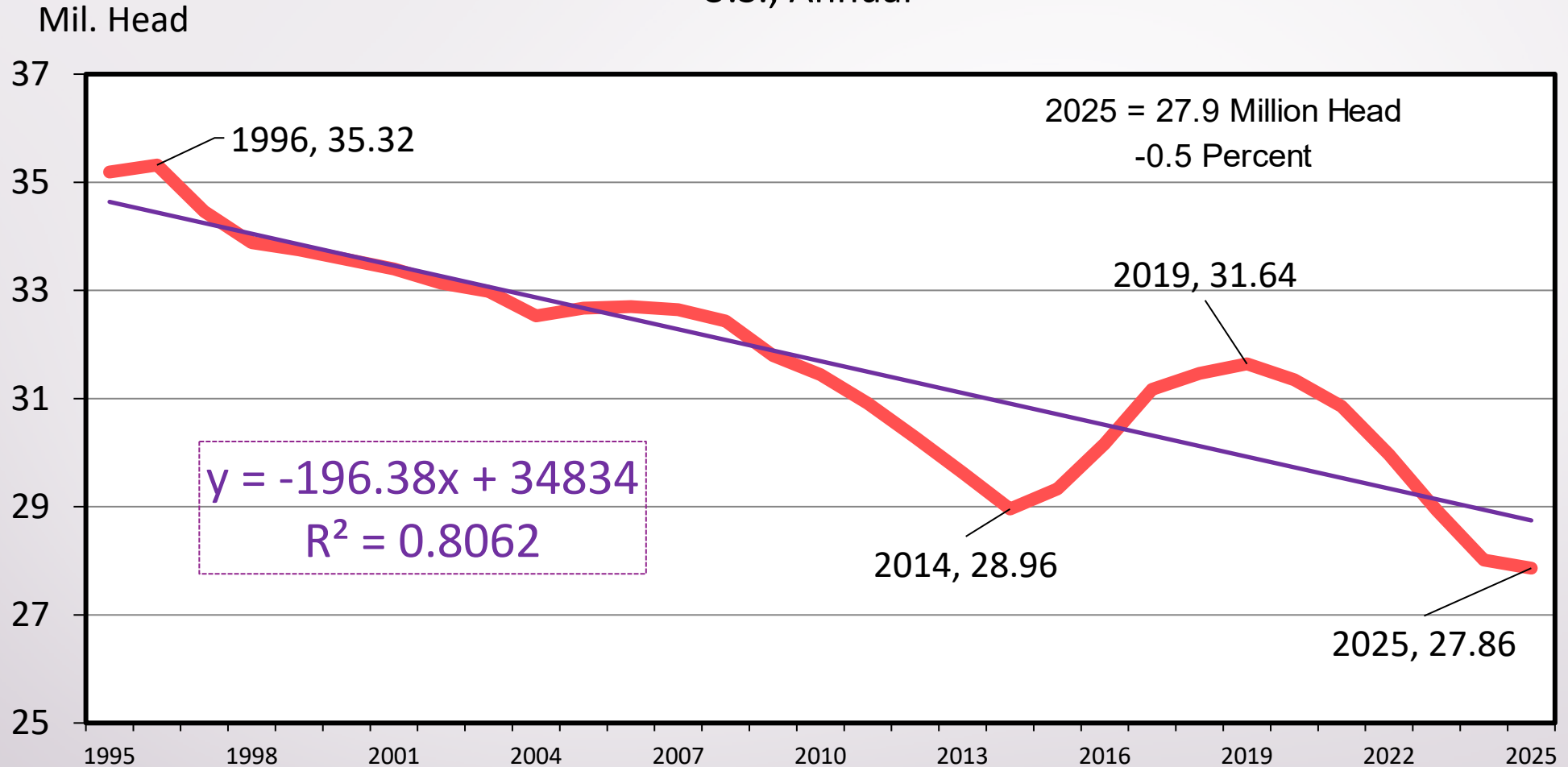
Quarterly Forecasts: Cattle (LMIC: 9/15/25)

Year Quarter	Live Sltr. Steer Price	% Chg. from	Feeder Steer Price Southern Plains	
	5-Mkt Avg	Year Ago	7-800#	5-600#
2025				
I	205.02	13.2	285.27	354.86
II	225.22	19.5	311.14	386.73
III	240-242	27.3	352-354	424-426
IV	241-244	27.8	353-356	425-428
Year	225-230	21.7	323-328	395-405
2026				
I	242-246	19.0	344-348	415-419
II	244-249	9.4	346-351	417-422
III	239-245	0.4	351-357	427-433
IV	244-251	2.1	348-355	430-437
Year	239-251	7.7	344-356	419-431
2027				
I	247-255	2.9	353-361	428-436
II	248-257	2.4	354-363	429-438
III	241-251	1.7	359-369	430-440
IV	246-257	1.6	356-367	433-444
Year	242-257	1.8	352-367	427-442

Data Source: Livestock Marketing Information Center

JANUARY 1 BEEF COW INVENTORY

U.S., Annual



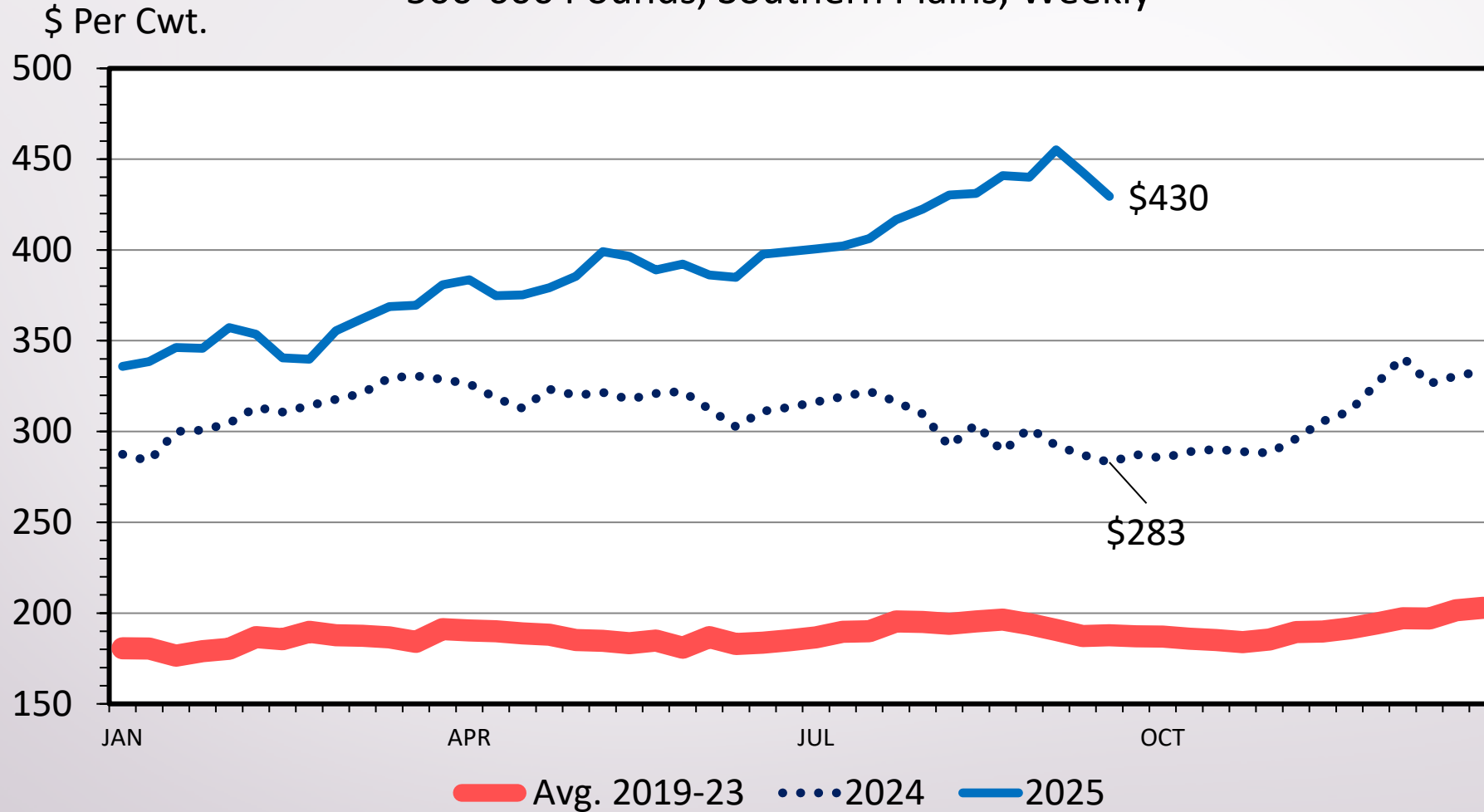
Data Source: USDA-NASS

Livestock Marketing Information Center

C-N-02
07/25/25

MED. & LRG. #1 STEER CALF PRICES

500-600 Pounds, Southern Plains, Weekly



Data Source: USDA-AMS

Livestock Marketing Information Center

C-P-54
09/22/25

Want Feeder Cattle Price, Basis, & VOG
Projections?

Use BeefBasis.com

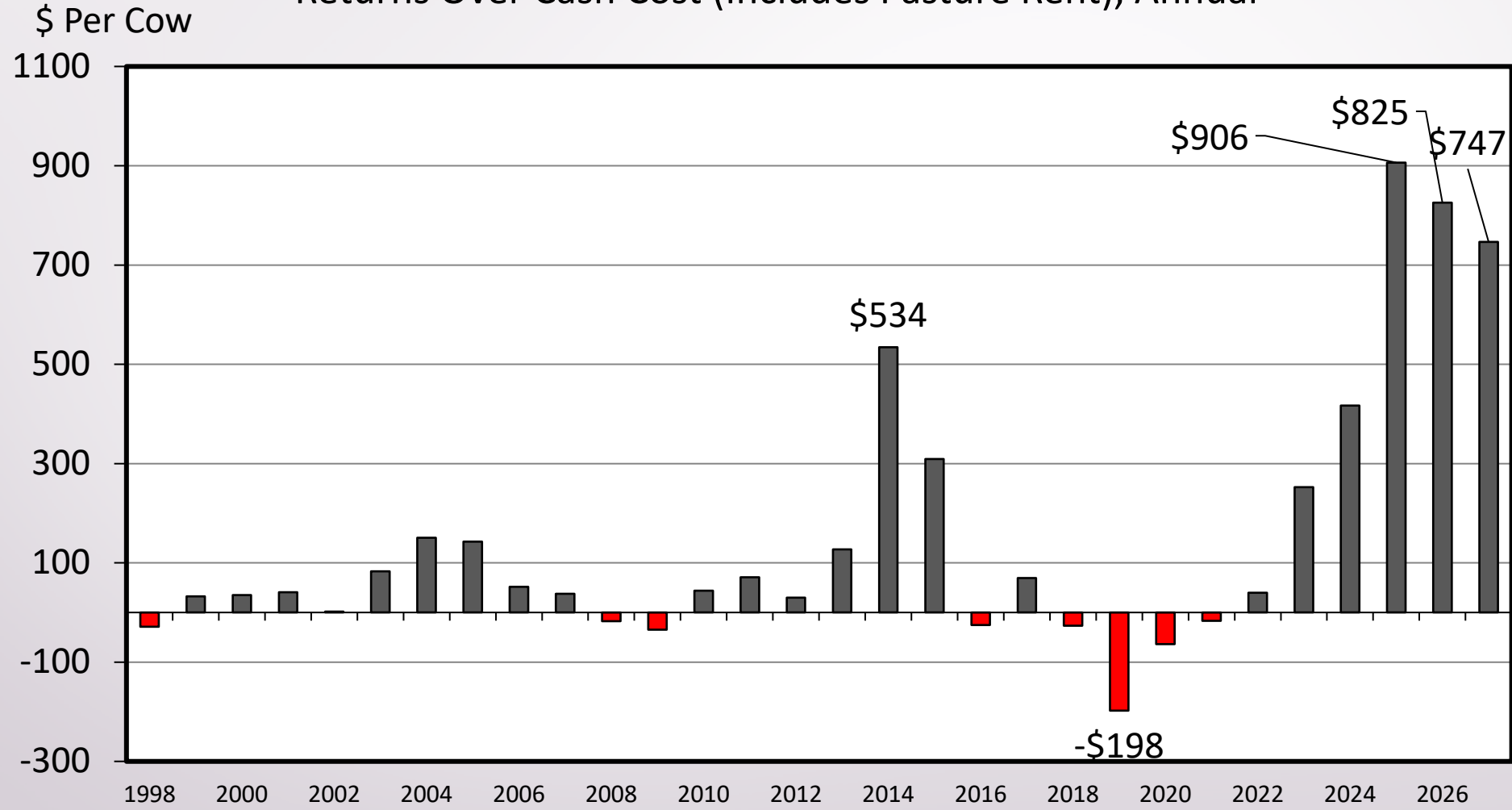
Salina FALL CALF Market, as of 9/25/25

10/15/2025 Sell @ Weaning @ 600 lbs.

- *Expected Cash Price: \$409/cwt*

ESTIMATED AVERAGE COW CALF RETURNS

Returns Over Cash Cost (Includes Pasture Rent), Annual

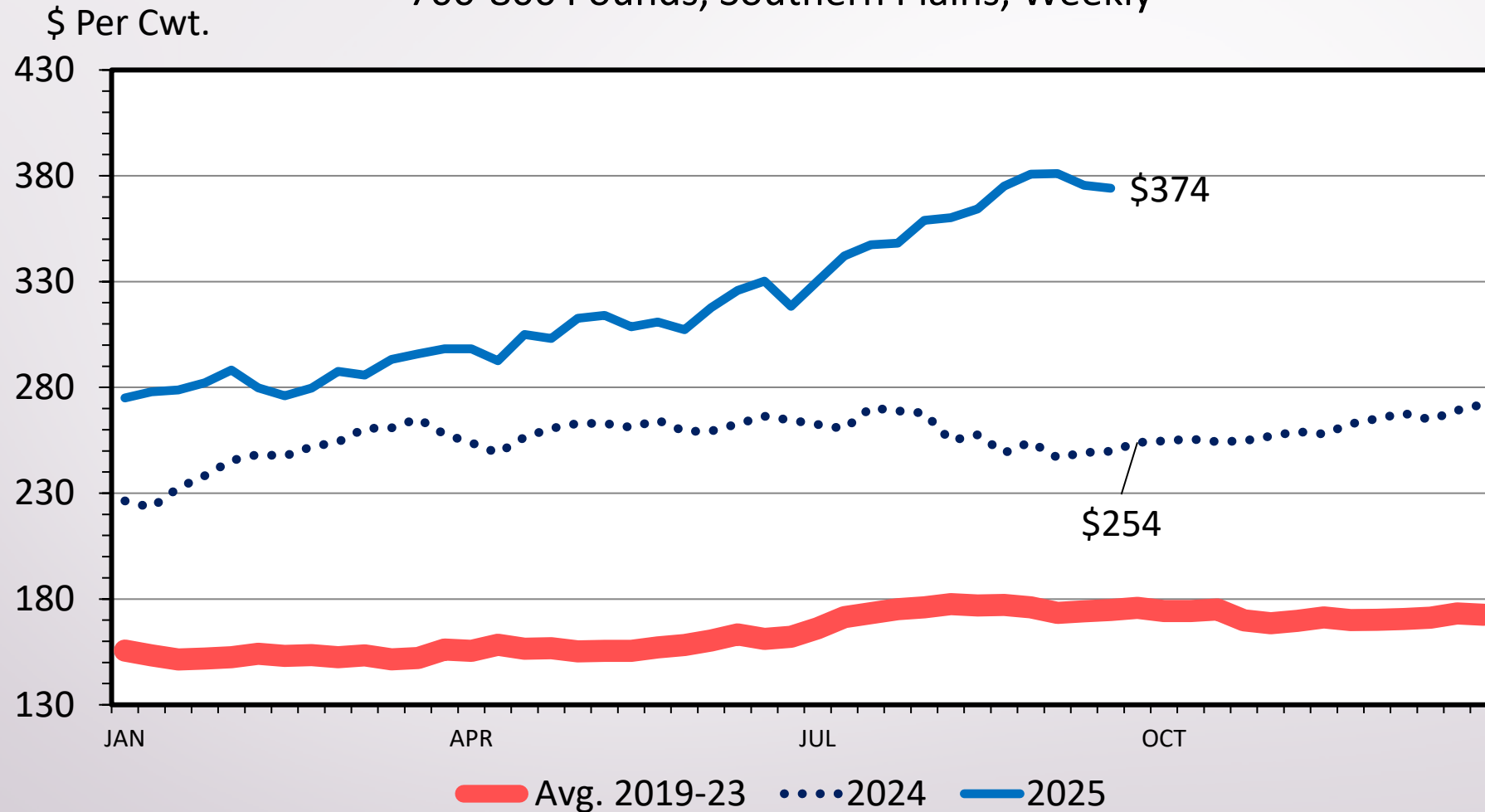


Data Source: USDA & LMIC, Compiled by LMIC
Livestock Marketing Information Center

C-P-66
09/15/25

MED. & LRG. #1 FEEDER STEER PRICES

700-800 Pounds, Southern Plains, Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

C-P-49
09/22/25

Want Feeder Cattle Price, Basis, & VOG Projections?
Use BeefBasis.com

*Salina **BACKGROUND** Market, as of 9/25*

10/15/2025 Buy/Retain @ 600 lbs.

1/14/2026 Sell @ 725 lbs

ADG=1.4

- *Expected Buy/Retain Price: \$409/cwt*
 - *Expected Sell Price: \$366/cwt*
 - *VOG: \$158/cwt (\$198/head)*

Want Feeder Cattle Price, Basis, & VOG Projections?
Use BeefBasis.com

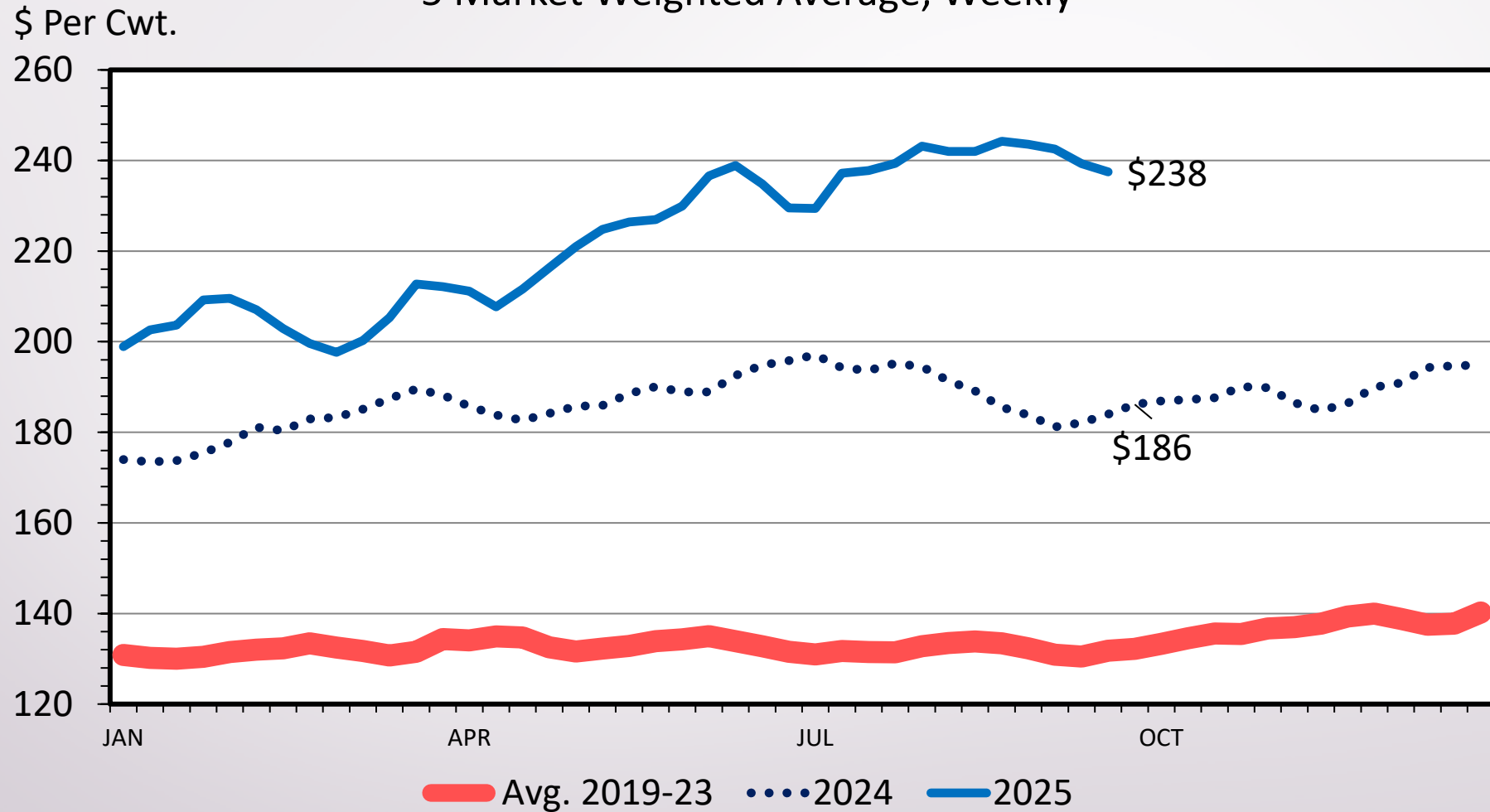
Salina **SUMMER GRASS** Market, as of 9/25

*4/8/2026 Buy/Retain @ 725 lbs
8/19/2026 Sell @ 925 lbs
DOF=133 & ADG=1.5*

- *Expected Buy/Retain Price: \$360/cwt*
 - *Expected Sell Price: \$318/cwt*
 - *VOG: \$170/cwt (\$339/head)*

SLAUGHTER STEER PRICES

5 Market Weighted Average, Weekly

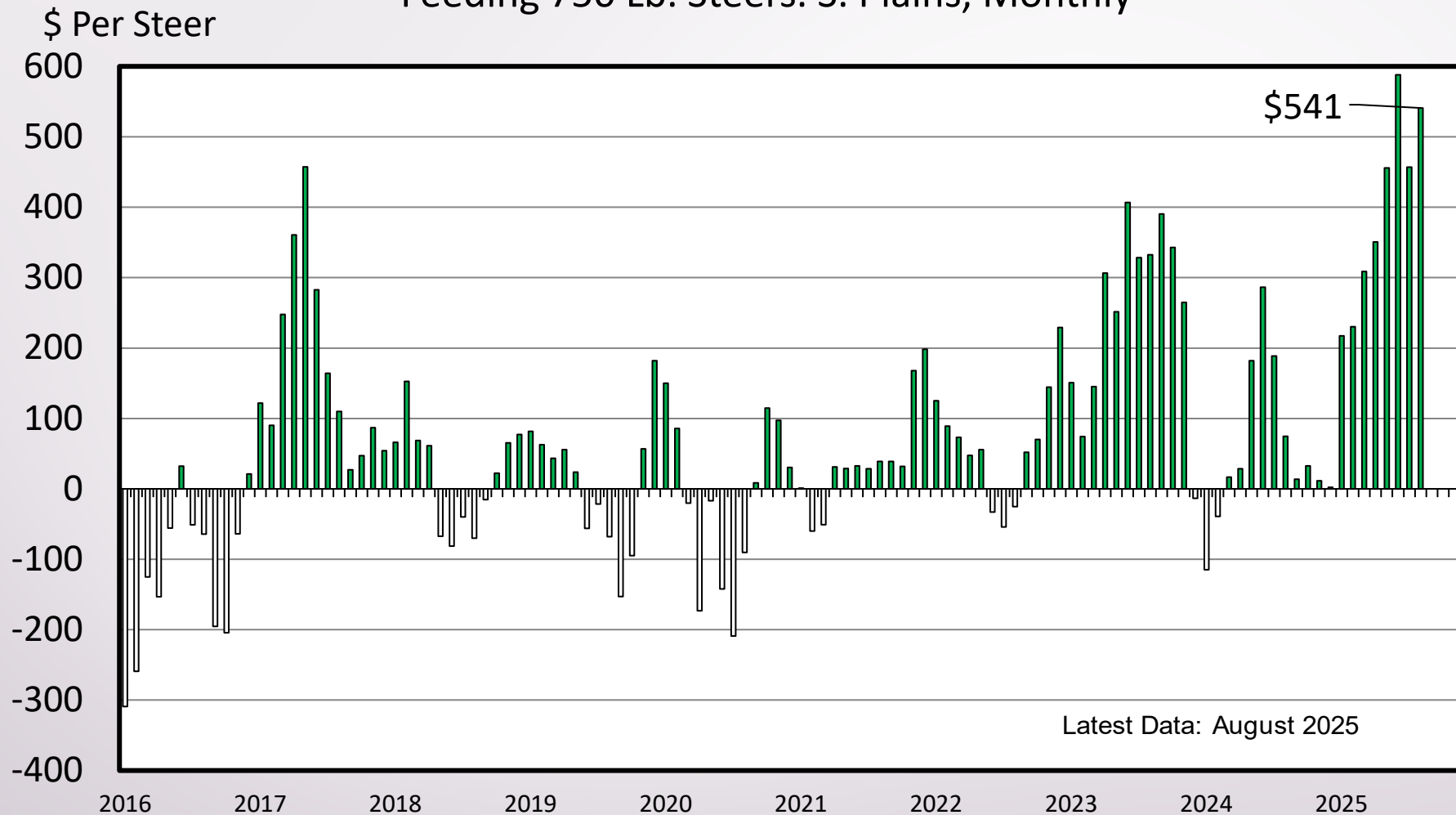


Data Source: USDA-AMS
Livestock Marketing Information Center

09/22/25

AVERAGE RETURNS TO CATTLE FEEDERS

Feeding 750 Lb. Steers. S. Plains, Monthly



Data Source: USDA-AMS & USDA-NASS, Compiled & Analysis by LMIC
Livestock Marketing Information Center

C-P-22
09/11/25

KS Feedlot Returns - Barometer of Trends

Table 1. Projected Values for Finishing Steers in Kansas Feedyards*

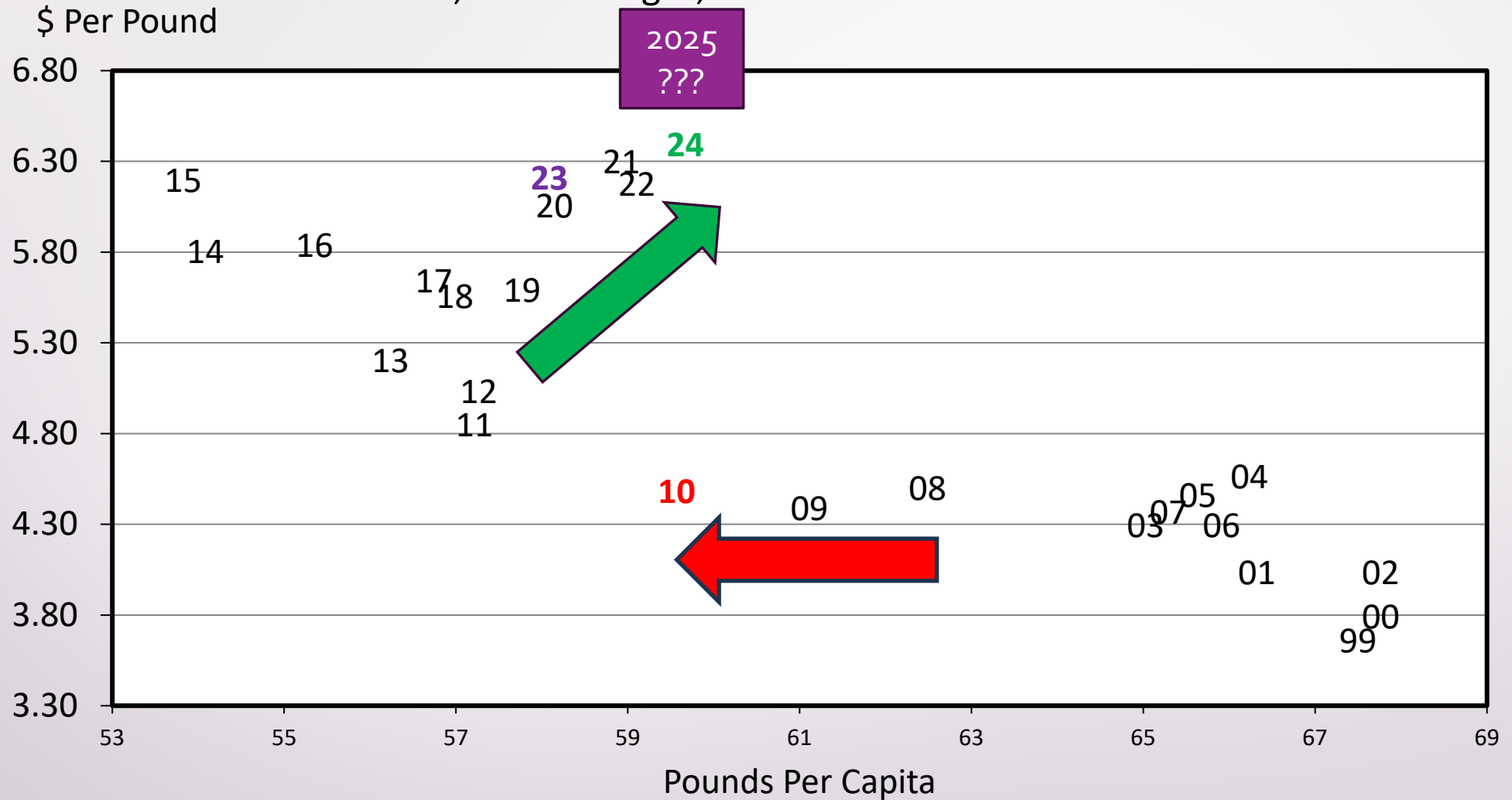
Closeout Mo-Yr	Net Return	FCOG**	Fed Price	Fed Futures	Fed Basis	Feeder Price	Breakeven FCOG**	Breakeven Fed Price	Breakeven Feeder Price
Aug-25	735.51	97.81	238.21	236.76	1.45	255.57	204.62	190.40	342.13
Sep-25	700.84	97.12	233.28	232.27	1.01	249.89	200.06	187.99	330.76
Oct-25	699.17	97.46	235.55	234.13	1.43	251.50	202.25	190.60	330.22
Nov-25	690.40	98.63	235.92	234.13	1.79	251.61	202.98	191.21	329.84
Dec-25	520.40	97.46	236.91	235.25	1.66	264.42	181.90	203.58	319.49
Jan-26	519.96	101.22	236.34	235.25	1.09	261.37	185.85	202.45	317.90
Feb-26	-19.66	101.50	236.22	235.32	0.89	319.25	98.36	237.49	317.12
Mar-26	-256.74	101.93	238.88	235.32	3.56	342.62	59.23	255.56	315.26
Apr-26	-266.10	101.11	231.29	228.02	3.26	340.03	58.38	248.85	310.23
May-26	-186.32	100.88	235.45	228.02	7.43	336.79	70.85	247.66	316.21



Beef Demand Short Overview

BEEF PRICE-QUANTITY RELATIONSHIP

Annual, Retail Weight, Deflated All Fresh Retail Price



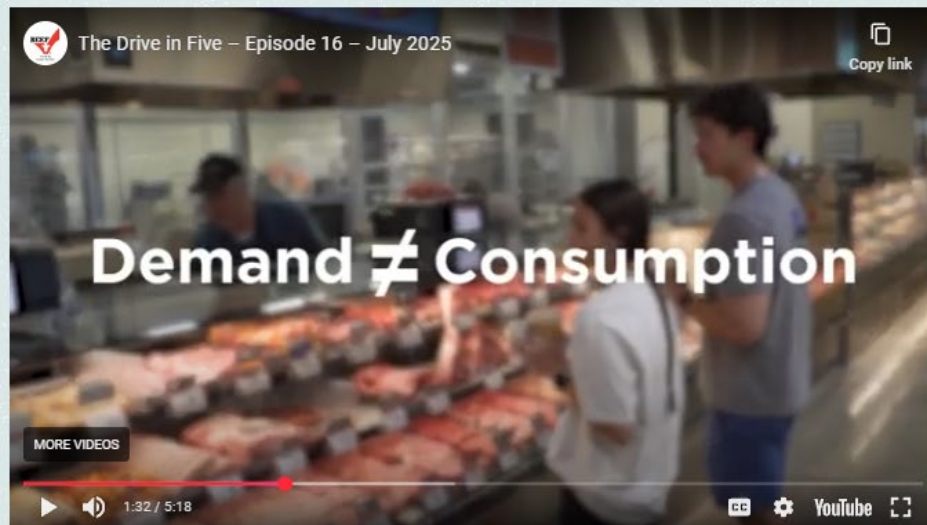
Data Source: Bureau of Economic Analysis & USDA-ERS, Compiled by LMIC
Livestock Marketing Information Center

C-P-65A
05/09/25

The Drive in Five – Episode 16

July 23, 2025

In this episode of The Drive in Five, see why consumer demand for beef is so vital and the difference between demand and consumption. Plus, discover Checkoff-funded programs working to grow U.S. beef exports.

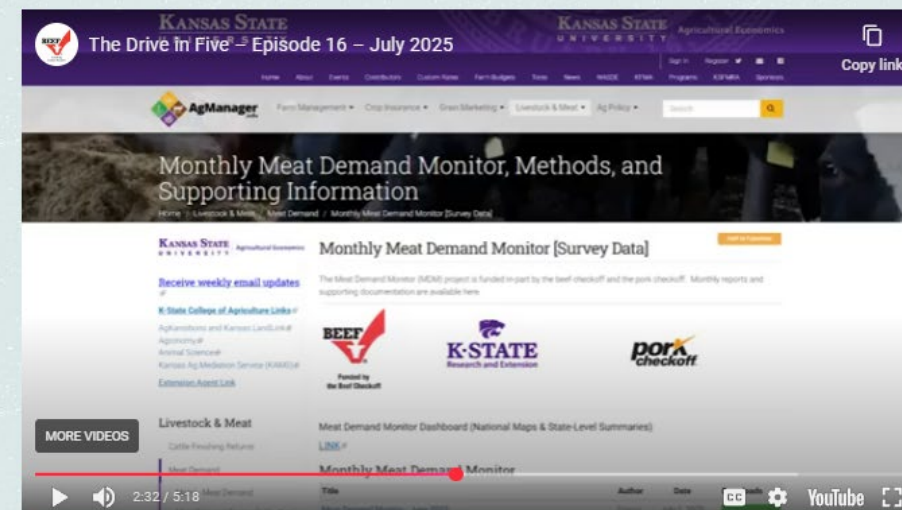


<https://www.beefboard.org/2025/07/23/the-drive-in-five-episode-16/>

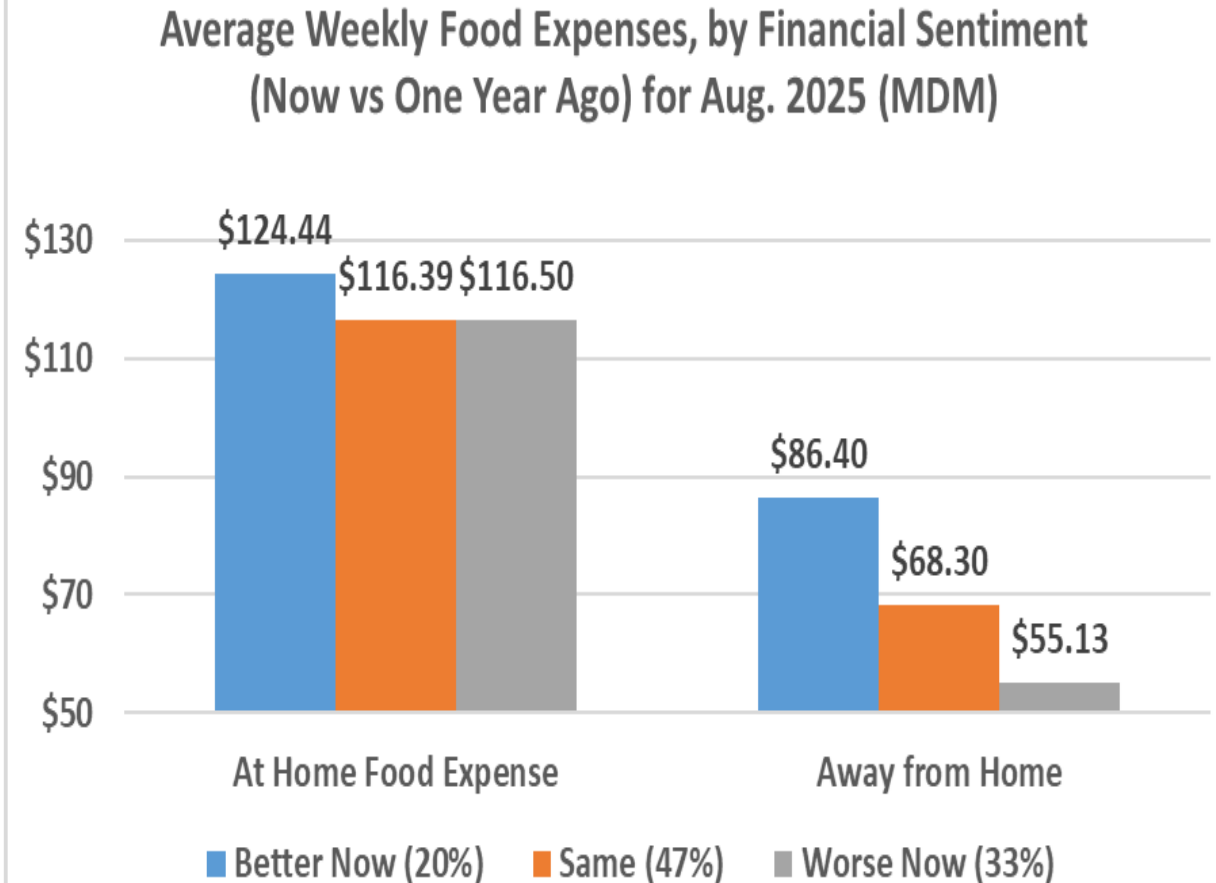
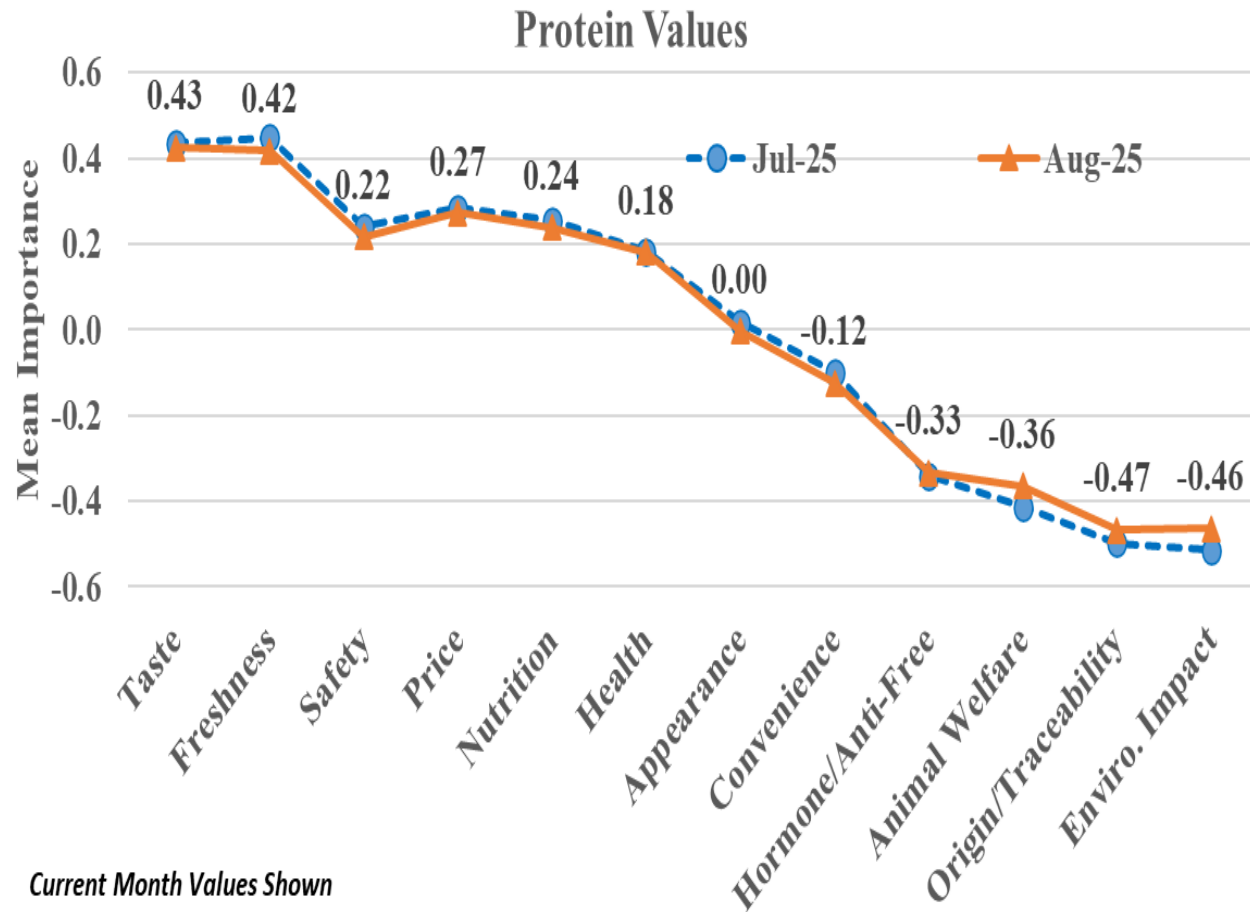
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Meat Demand Monitor (MDM)



<https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data>

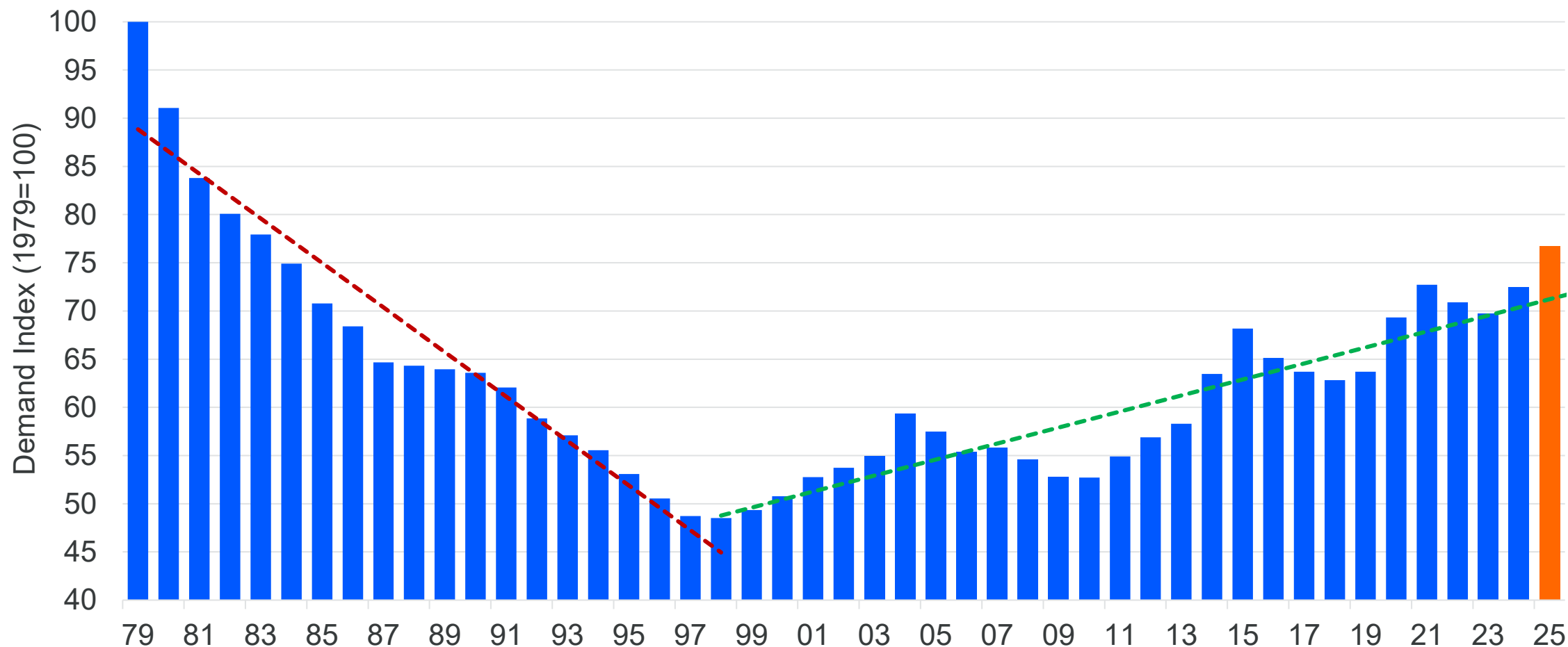
Record High Price Anxiety

Cattle supplies are tighter, beef supplies are starting to shrink but the 2025 rally has been demand driven.



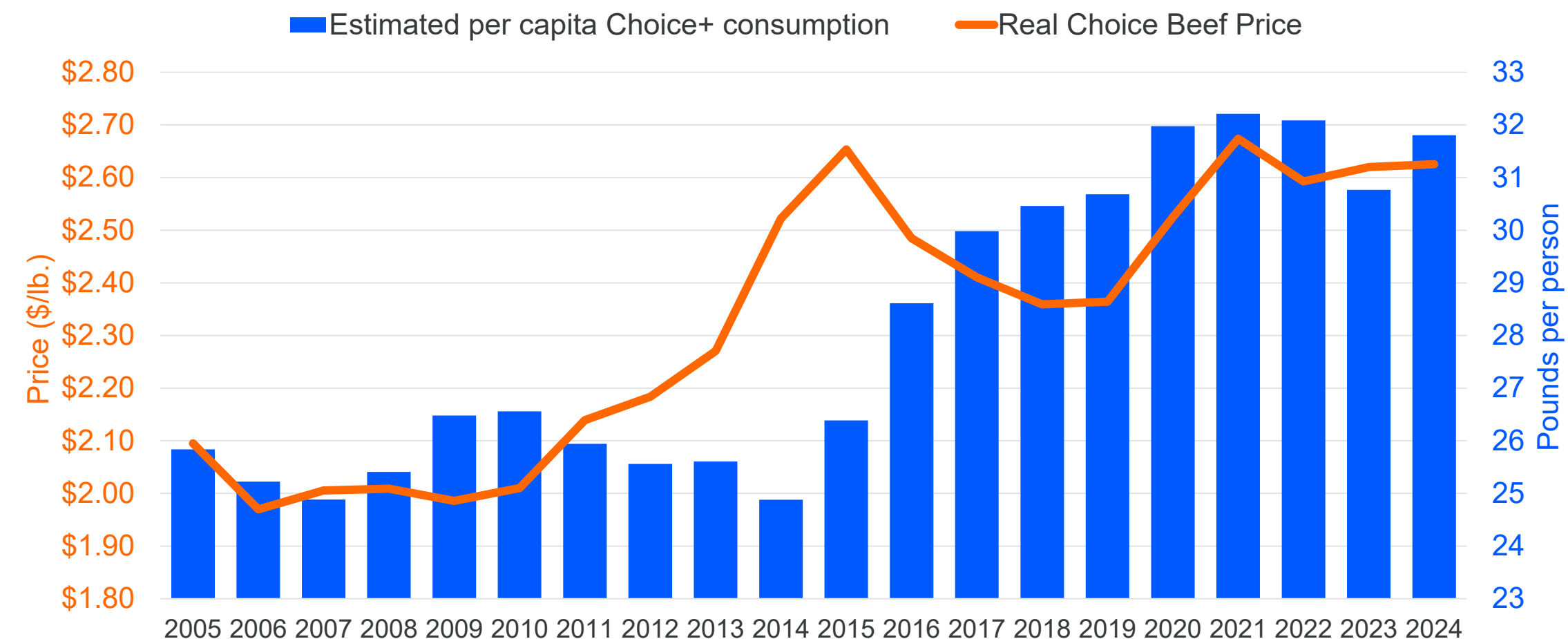
US consumer beef demand gains strength

Beef demand is on pace to end 2025 at levels not seen since 1983.



Growing demand for USDA Prime and Choice

Consumption has grown more than 20% and real price has grown more than 30%.



Balancing consumer incomes & beef prices

Regardless of income percentile, each year it takes a little longer to pay for beef

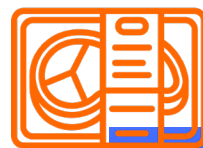
Navigating consumer beef demand threats

Minutes needed to buy ground beef by income bracket



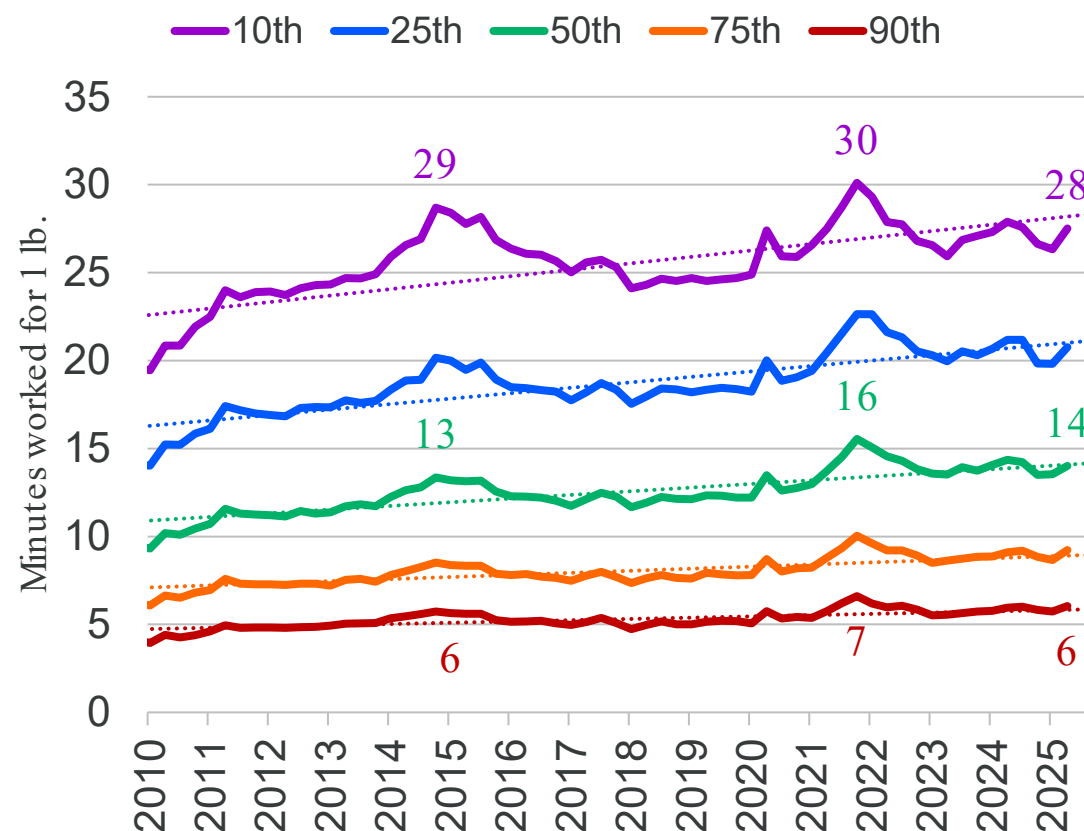
Income vs Inflation

- Housing affordability
- Student loans
- Credit card debt
- Buy now, pay later



Value-focused buyer

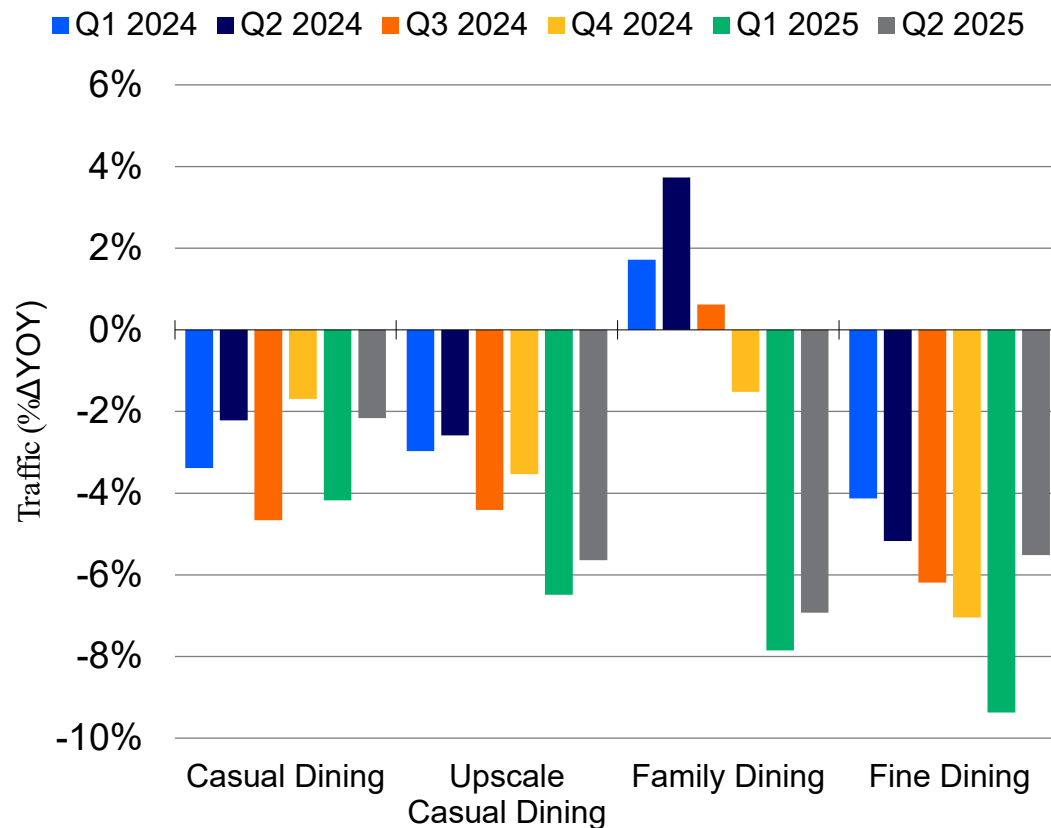
- Cooking at home
- Coupons, bulk buying
- Discount retailers
- Store brand interest



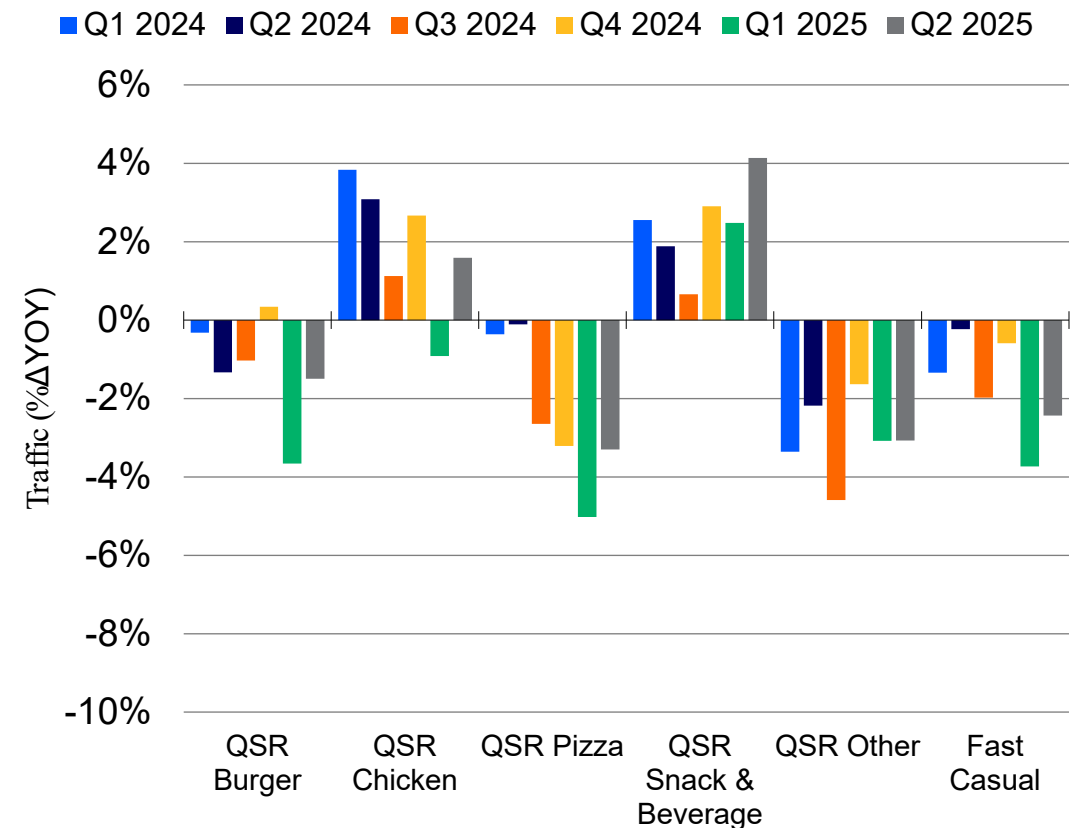
US restaurants struggle postpandemic

Yearover-year declines in customer traffic are prevalent across the segment

Full-service restaurants

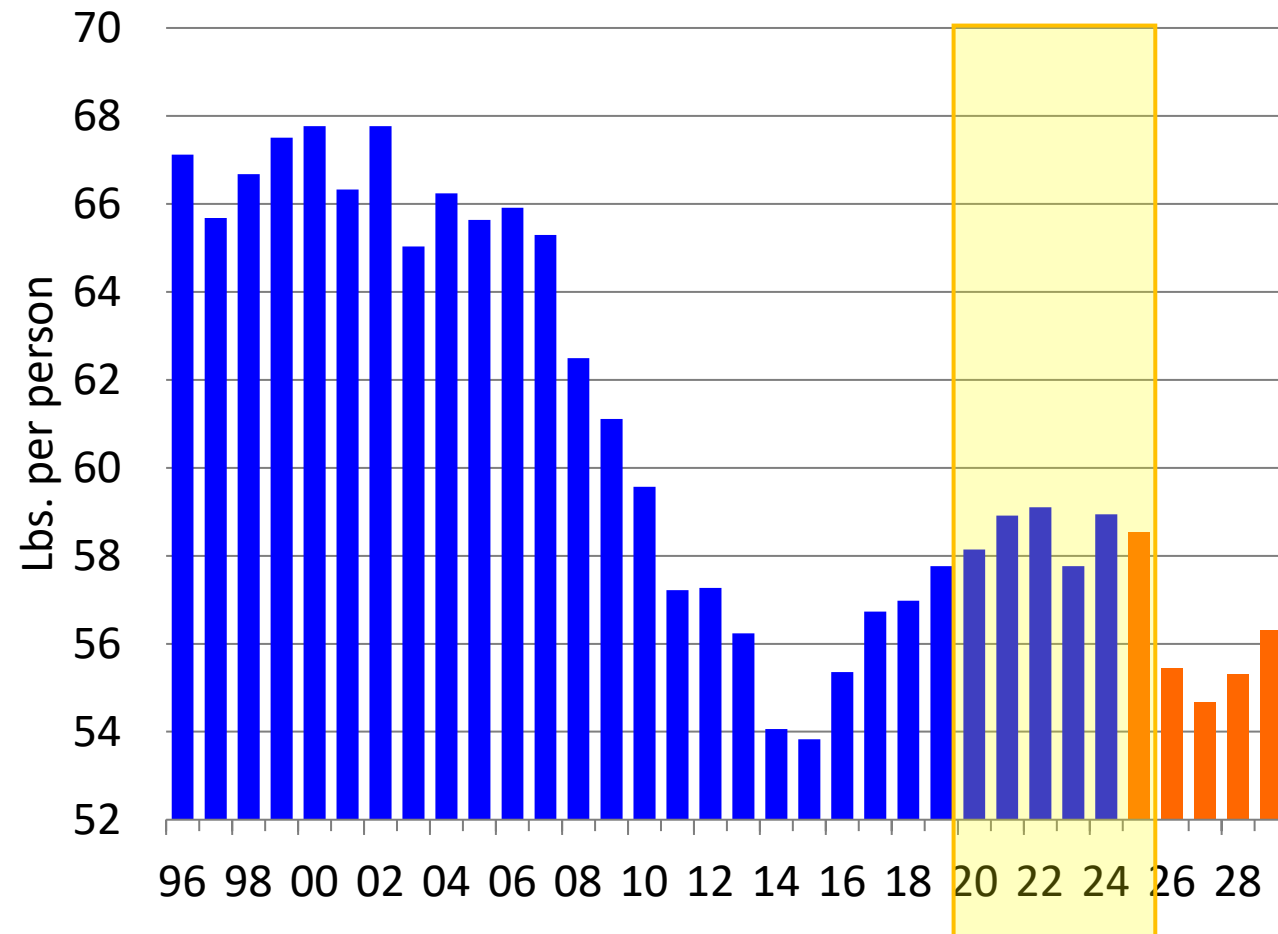


Limited-service restaurants



Annual US beef supplies remain strong

Beefdairy growth, record weights and stronger imports support per capita supplies.



Beef-dairy cross cattle

- 450,000 head decline in calf slaughter
- 1 mil. head increase in fed cattle supply

Hot carcass weights

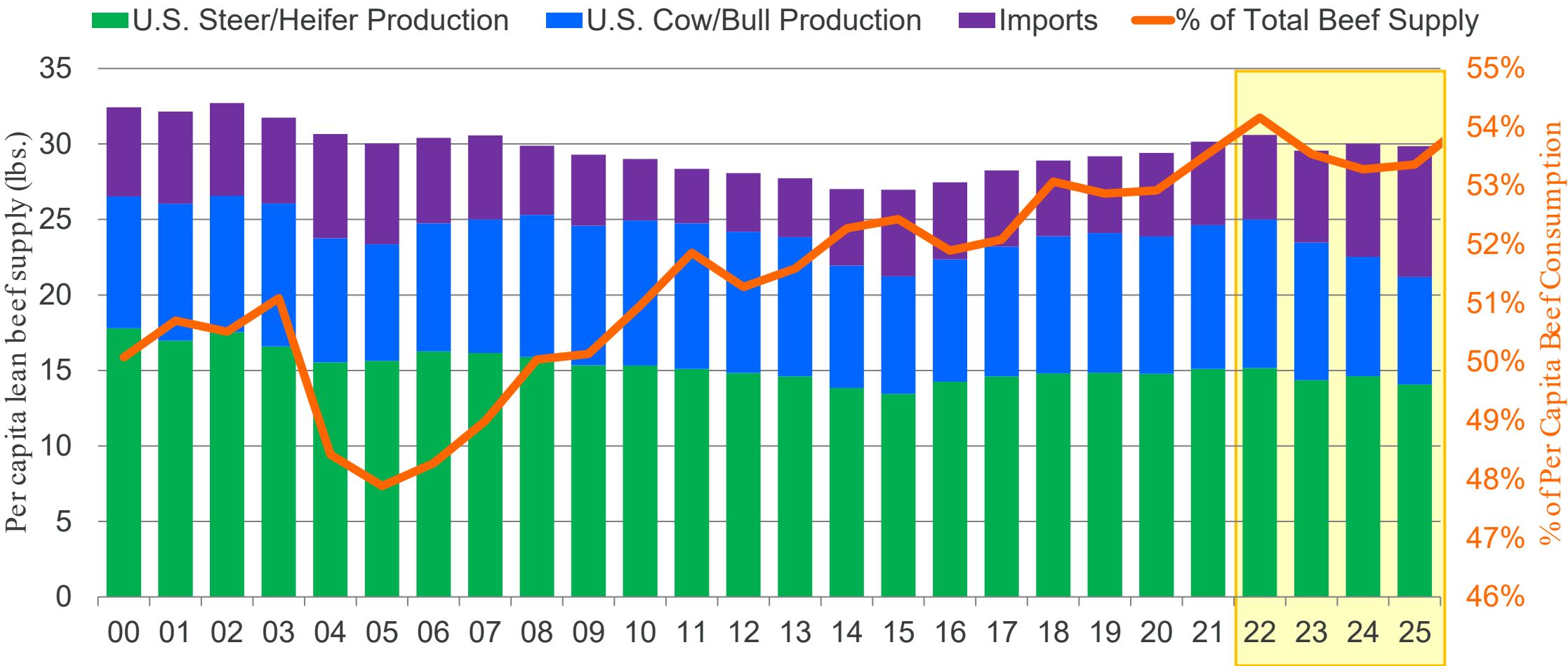
- 20-yr. avg. increase 0.5% (4.2 lbs./year)
- Up ~25-lb. in both 2024 & 2025

Beef imports

- 20-yr. avg. = 3 bil. lbs.
- 3.7 bil. 2023, 4.6 bil. 2024, 5.4 bil. 2025

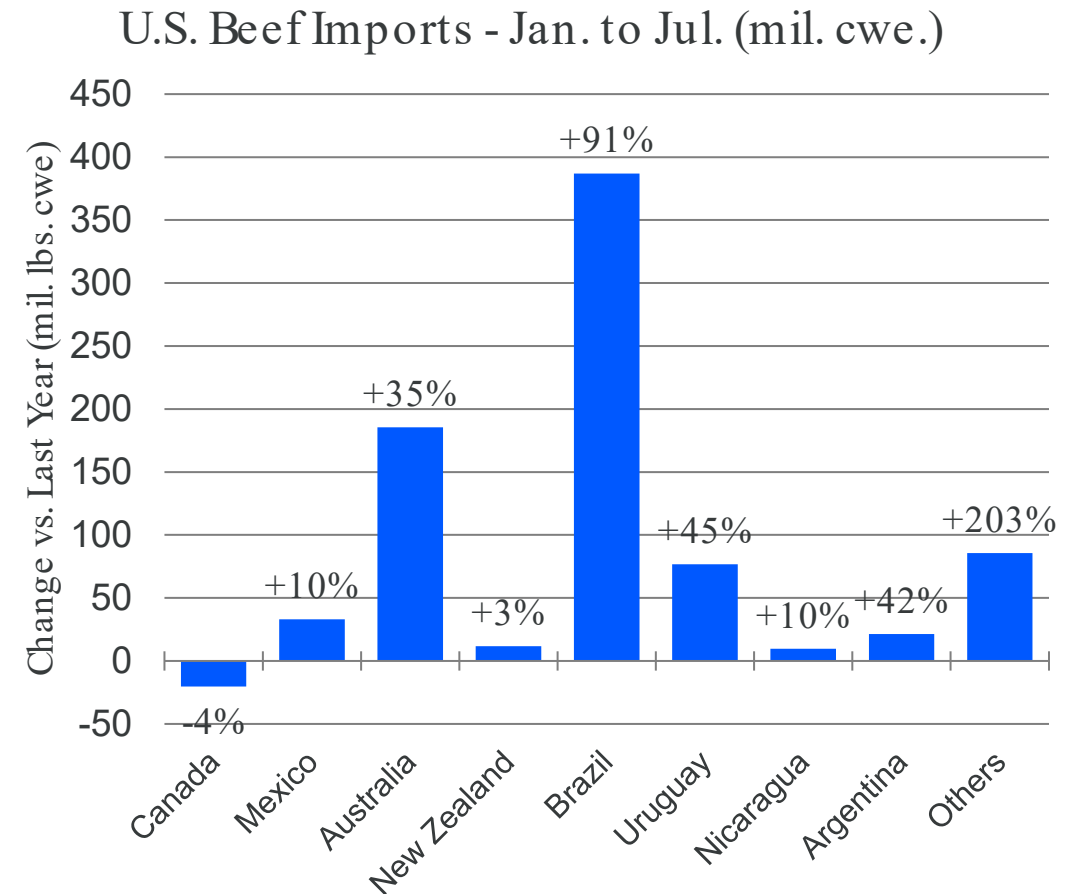
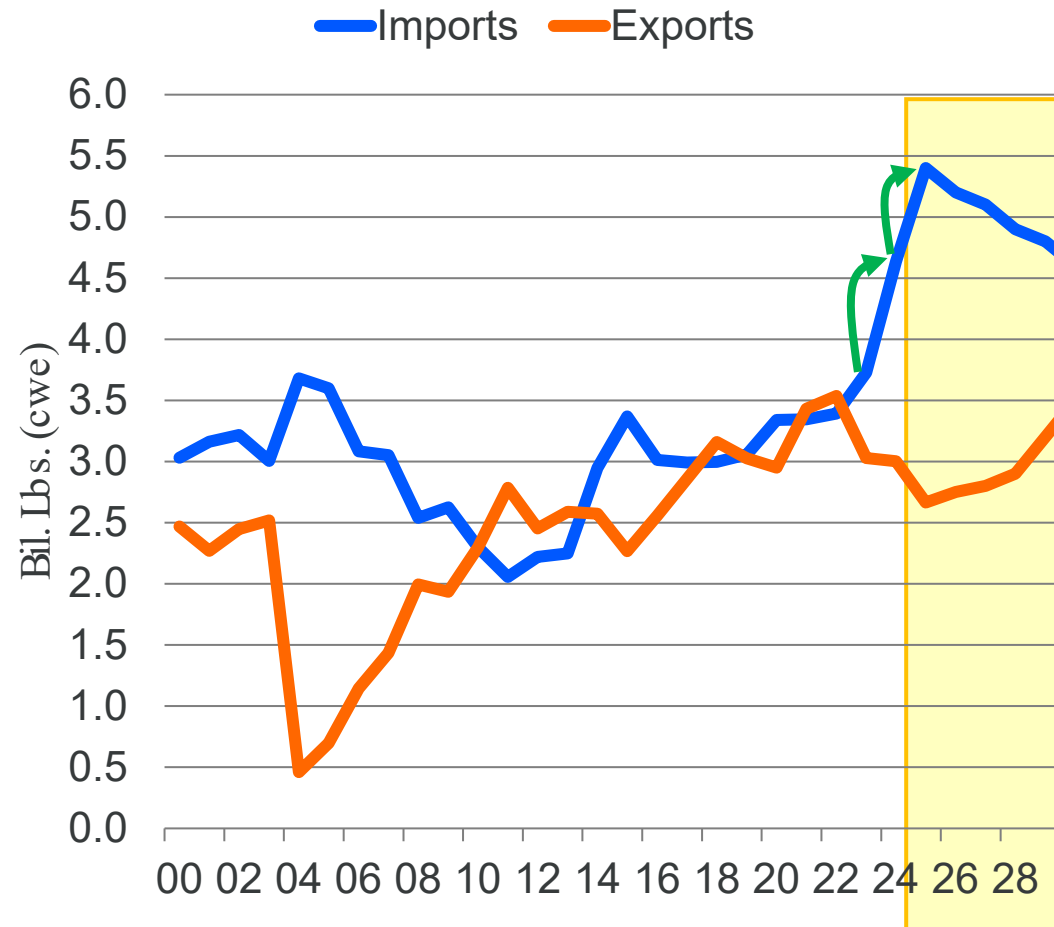
Annual US lean beef trim is in short supply

Since the 2022, imports have grown 3.1 lbs. domestic production dropped 3.8 lbs.



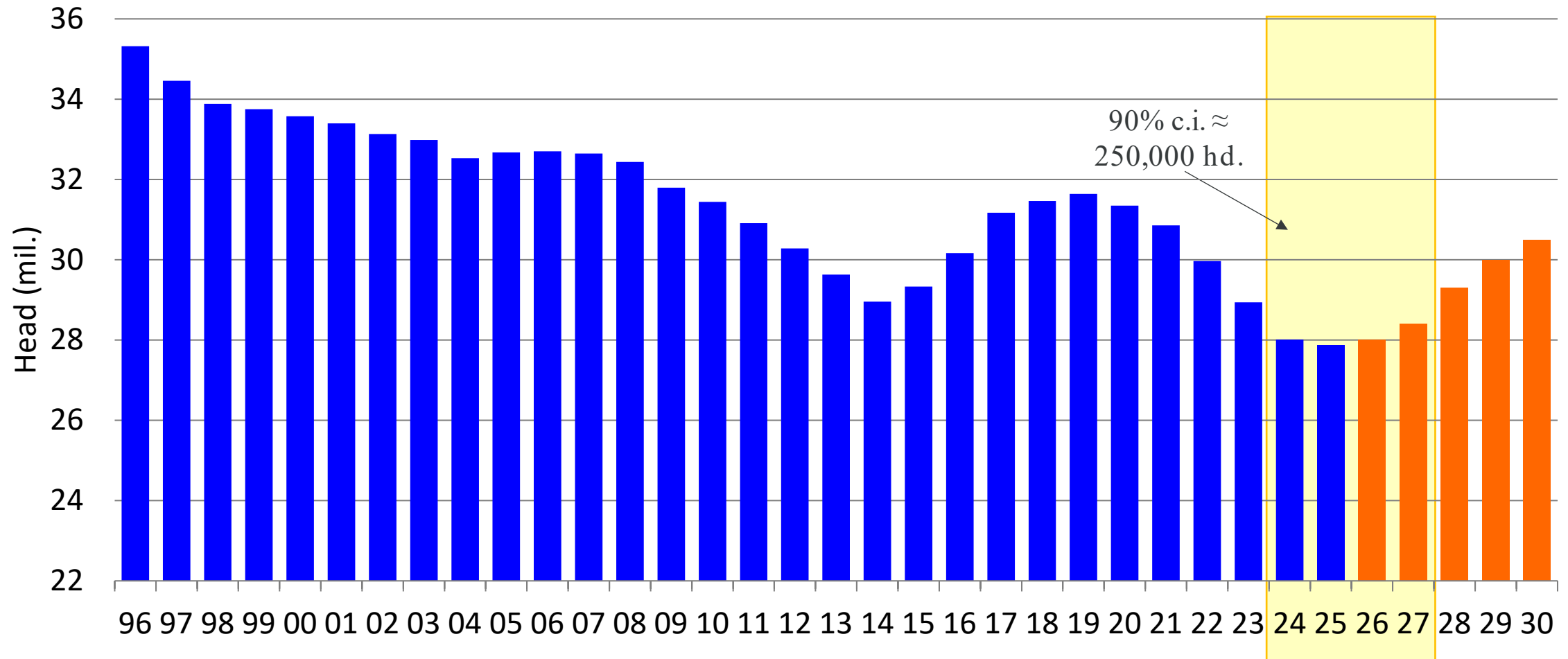
Where does US beef trade go from here?

Beef exports are behaving somewhat predictably, but imports remain a wild card



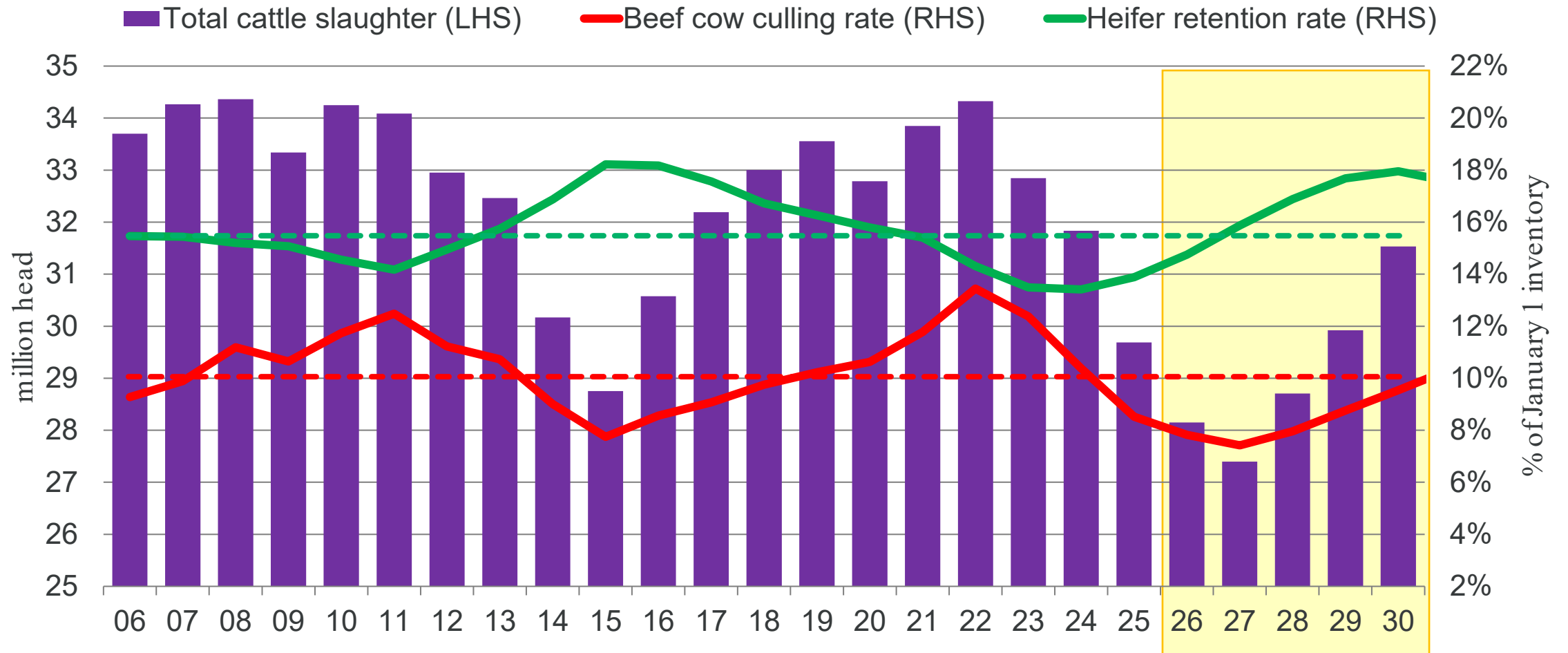
2025: The year of herd stabilization

US beef cow culling rate is below 9%, and heifer retention is slowly increasing.



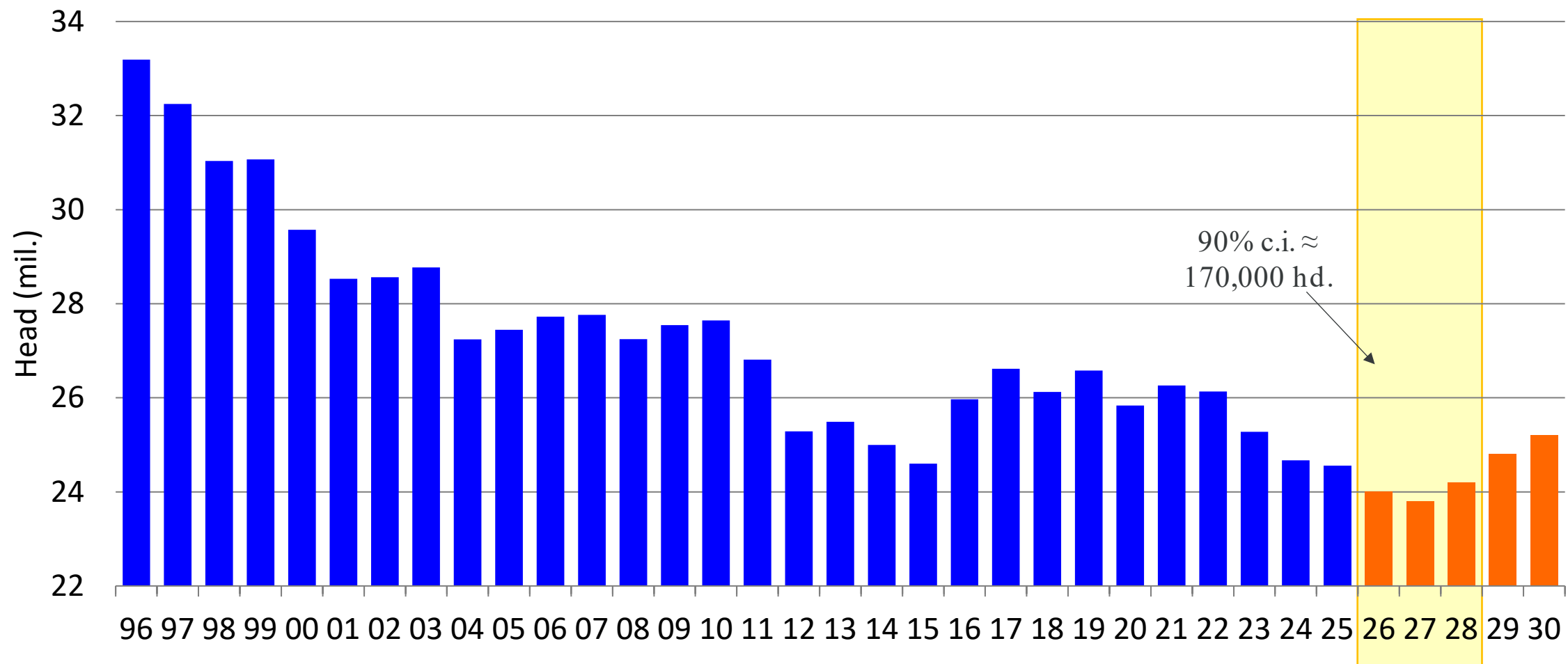
Heifer calf retention is happening slowly

The next few years of slaughter declines will be mostly from the fed cattle supply



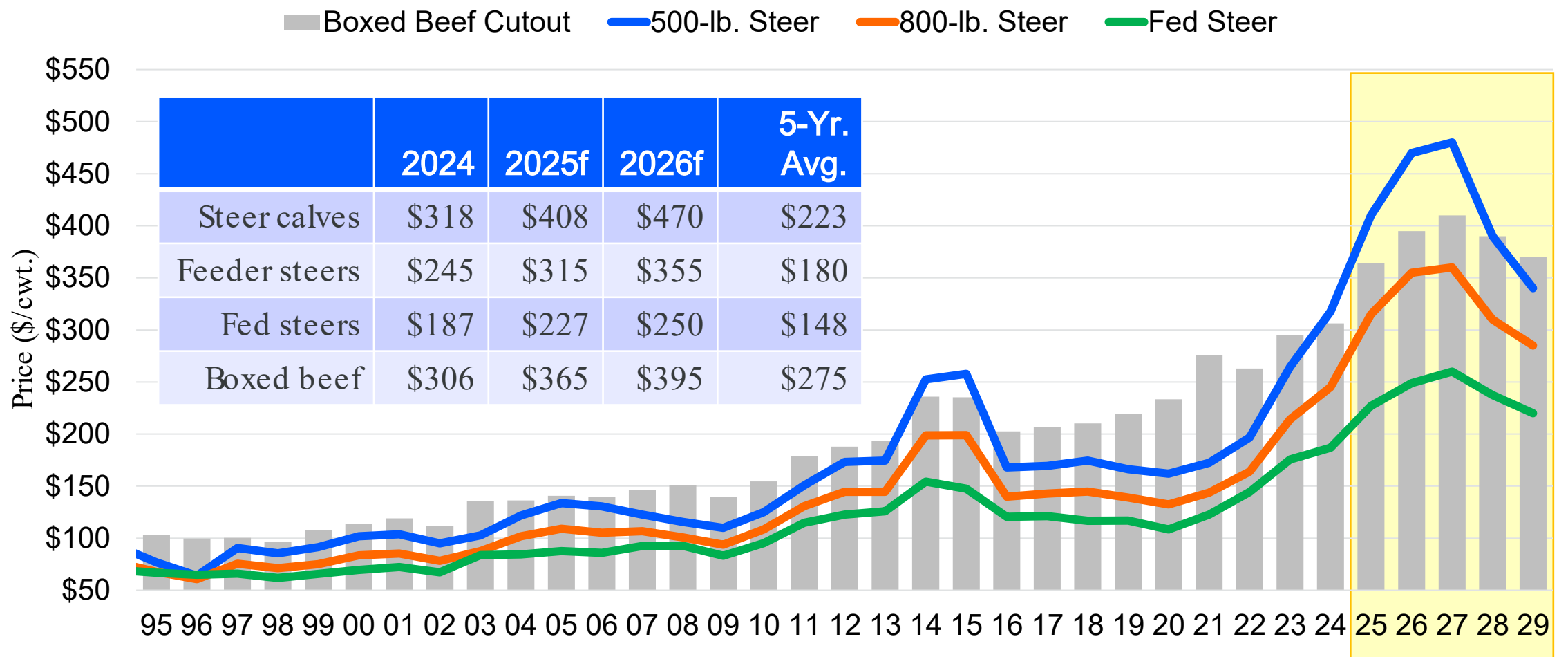
Feeder and calf supplies will remain tighter

January 1 inventories outside of feedyards could be surprisingly lower



US cattle & beef prices are trending higher

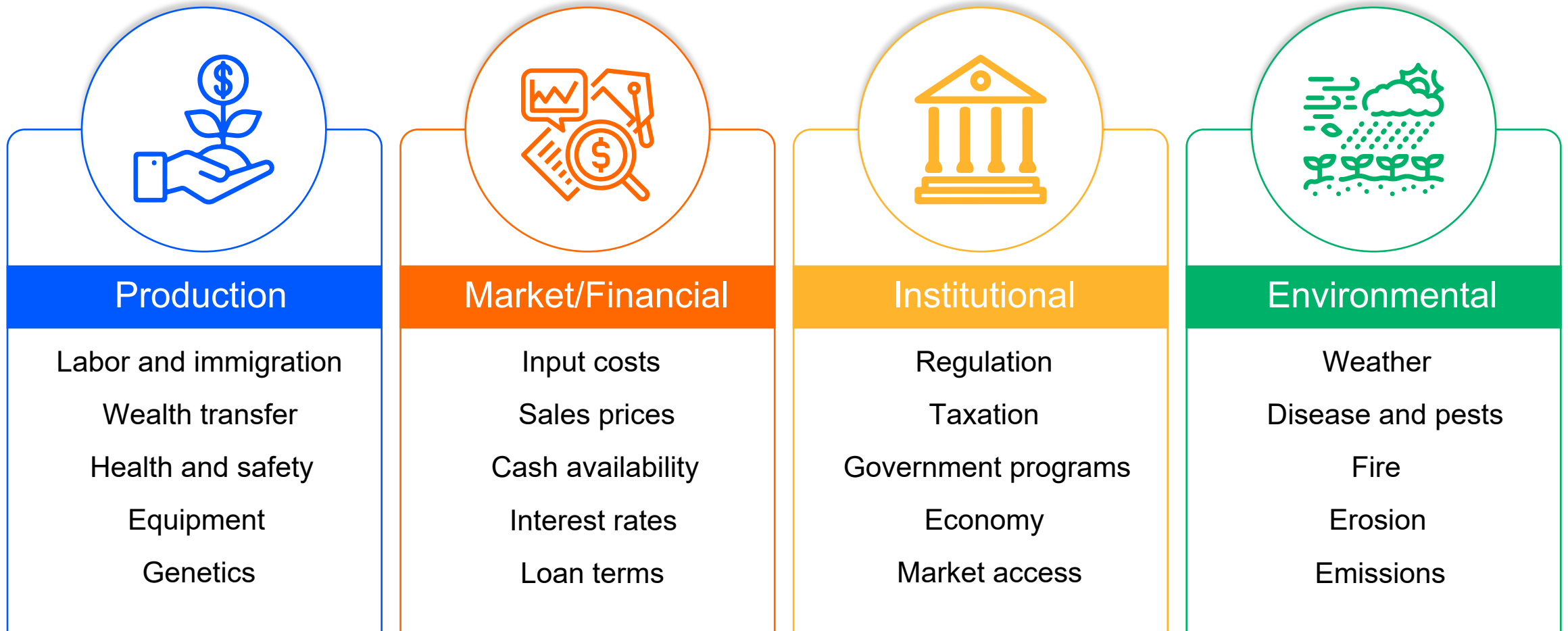
Demand will dictate the impulsiveness of the uptrend as beef supplies fall



Rabobank

Managing risks in beef supply chain

Navigating supply chain risks well can ensure long-term operational viability



Unprecedented margin call risk

Higher prices, larger weights make per animal values more sensitive to price moves

April LC contract	Finish weight (lbs.)	Settlement price (\$/cwt)	\$/head value	2% change	9.5% change (avg)	14% change
2005	1203	\$89.45	\$1076	\$22	\$102	\$151
2010	1275	\$99.93	\$1274	\$25	\$121	\$178
2015	1375	\$159.50	\$2193	\$44	\$208	\$307
2020	1402	\$90.00	\$1262	\$25	\$119	\$177
2025	1501	\$215.75	\$3238	\$65	\$308	\$453

Navigating a few more unknowns ...

How do stocker operators
navigate the next few years of
tighter cattle supplies?

Navigating a few more unknowns ...

What are the biggest threats to
the beef cow herd rebuild?

Navigating a few more unknowns ...

Where will the beef sector see
the most structural change
going forward?



More information available at:



This presentation will be available in PDF format at:

<http://www.agmanager.info/about/contributors/individual/tonsor.asp>

Host of additional industry resources are cross-linked as well

Thank you

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