

CattleFax UPDATE

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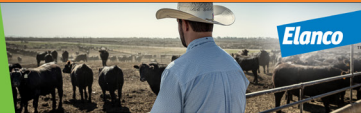
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Cattle Market Foundation in Tariff-land

Patrick Linnell

The week has been a whirlwind in cattle markets, trade policy, and the stock market. After an early-week rally that saw all cattle futures contracts close at or near records on Wednesday, the market posted a sharp sell-off Thursday and Friday on trade risks and broader concerns around demand.

Cutting through the noise and uncertainty, let's look at the fundamental market situation, recognizing there are many unknowns.

The supply side of the market remains tight. Cattle-on-feed numbers are below year-ago levels and placement patterns suggest a fed cattle supply hole into spring and early summer. Fed slaughter will seasonally increase into the second quarter but mainly due to seasonal demand pull-through than supplies. While traditionally, seasonally increasing supplies into June cause the cattle feeder to lose leverage against the packer, the supply hole favors a more sideways pattern to leverage.

Non-fed slaughter will also stay tight as beef and dairy producers continue to run reduced culling rates, limiting lean beef supplies as grilling demand approaches. Carcass weights are likely to remain above year-ago levels but seasonally decline into June.

Beef demand will seasonally increase into spring, driving retail prices towards the \$8.50 range (February was \$8.32) and the cutout towards \$340 to \$350. At this point, beef demand at retail and wholesale has not shown any signs of slowing down.

As a result, fed cattle prices are likely to find a practical trading range in the months ahead from \$205 to \$215 on a U.S. average basis with potential for a high towards \$220. Expect significant premiums in the North through the second quarter, as has been the case the past few years. From a timing standpoint, the combination of tightest supplies and strongest demand favor the month of June for a seasonal high in the cash market.

Fed prices will have seasonal risk into the late summer and fall, before strengthening into the end of the year on seasonally tightening supplies and holiday demand. The mid-\$190s should be strong support from what is known today.

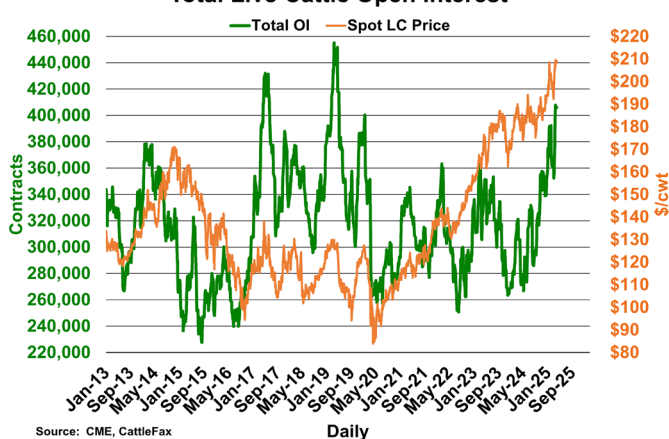
Further upside to the fed cattle market may exist based on the demand, supply, and leverage patterns in place. The previous cycle high of \$172 in November 2014 is the equivalent of \$233 today on an inflation-adjusted basis.

Obviously, there are risks to under-performance as well. With open interest in live cattle futures at the third largest levels on record, if the money decides to leave, the market will feel the pressure. Cash can still perform but a strong basis would be limiting.

Risks to beef demand will also need to be monitored. Retaliation from major U.S. beef export partners is the clearest immediate risk. Domestic beef demand risks will depend on the path of the broader economy. The consumer has shown unrelenting demand for beef through recent economic headwinds, but hits to the labor market and incomes could be passed to beef.

Bottom Line: The fundamentals of the cattle and beef markets remain strong, despite the elevated risks. Unfortunately, the uncertainty and volatility, especially in the futures complex, are unlikely to go away anytime soon.

Total Live Cattle Open Interest



Source: CME, CattleFax

Daily

Market Highlights

Fed Cattle – Moderate to active trade in the North at \$210 to \$213 live and \$335 dressed which is \$1 to \$3 lower live and steady dressed compared to last week. Active trade volumes in the South at \$208 live which is \$1 to \$2 softer than prior week.

Boxed Beef – The cutout was mixed this week with the Choice cutout adding \$2.65/cwt. and the Select cutout decreasing \$1.60/cwt. Look for a short-term pullback due as demand weakens at current price levels before pushing higher closer to May.

Feeder Cattle – Traded mostly \$2 lower to \$3 higher.

Calves – Traded mainly steady to \$6 firmer.

Market Cows – Traded mainly \$2 lower to \$3 higher.

Corn – Trended upward, finishing 7 cents higher on the week on the active May contract.

~Upcoming~

CattleFax Risk Management Seminar

Mark your calendars! Registration is now open for the upcoming CattleFax Risk Management Seminar, taking place June 18-19, 2025 in Denver, CO. Participants will learn how to utilize the CattleFax "Decision Tree", providing a platform to better understand and manage market risk. This session covers a wide array of risk management topics, covering far more than just hedging and options. For more information, please visit www.CattleFax.com

[Register Today!](#)

Register for Trends+ Webinar

CattleFax will address the 2025 calf market outlook, while presenting results from the recent cow-calf survey during the Trends+ Cow-Calf Webinar at 5:30 p.m. MT, May 21st, 2025.

The one-hour session will include a variety of relevant topics for the cow-calf audience:

- Cattle & grain market projections for 2025
- Outlook for the summer and fall calf markets
- Supply expectations for the cattle and beef industry
- Analysis of the 2024 CattleFax Cow-Calf Survey.

Register for the upcoming webinar [here](#).

FED-CATTLE OUTLOOK

Uncertainty/ Taking a Breath

Kevin Good

The correction in the financial markets triggered by tariffs has added uncertainties into the marketplace. This could very well result in the fed market taking a breath and lead to increased volatility in the face of continued strong fundamentals. With less cattle on feed and fewer cattle to place, the supply side will continue to be positive, although heavier carcass weights will continue to be a partial offset. In addition, leverage should continue to favor the cattle feeder. Beef demand is historically strong and unless the economic conditions experience a substantial deterioration, demand is expected to remain price supportive. Although, economic indicators and unemployment levels will need to be monitored closely to determine the upside potential of the current cattle cycle.

Next week: Offerings are expected to be even. The beef complex is expected to be near steady. The fed market is expected to trade near \$208 in the south with premiums in the north.

Mid-April-June: Placed against fed cattle supplies are expected to remain near today's level early then tighten in May and June and the feeding industry is expected to remain current. The beef complex is expected to gradually firm after Easter as the weather warms and the spring grilling holidays take place. Packer appetite will increase as kills are ramped up as beef demand/usage improves. This combination would suggest strong prices between \$206 and \$215 in the south and continued premiums in the north.

July-August: Fed cattle supplies, although below year go levels, will increase seasonally. The beef complex will drift lower moving through the dog days of summer. Strong cattle feeder leverage will continue to be noted, especially as more kill capacity comes online in the north. Prices will be on the defensive with risk back near \$200 by Labor Day.

Fed Cattle Currentness Index

	Uncurrent	Caution	Neutral	Current	Very Current	
FED CATTLE PRICES 04 APR-2025						
	Live Steers	Dressed Prices	Live Heifers	Hot-Wgt Prices	Trade Volume	Contract Formula
PANH	208	N.T	208	N.T	80,000	90%
KS	208	328	208	328	77,000	92%
NE	210-213	335-345	210-213	335-345	49,000	51%
CO*	210-212	N.T	210-212	N.T	18,500	91%
CB	215	335-345	215	335-345	26,000	0%

BOXED BEEF OUTLOOK

Due for a Slowdown

Terrel Platt

The Choice cutout closed the week \$2.65/cwt. higher, while the Select cutout decreased by \$1.60/cwt. The beef complex extended gains but has started to show signs of buyer resistance to current price levels.

Next Week: Buyers are expected to push back on prices as demand slows before grilling season kicks off. A steady to lower trend is expected.

Balance of April: Supplies are expected to remain manageable but should begin to increase seasonally. Packer margins have held below breakeven, limiting the incentive to increase the harvest pace significantly. Although demand may enter a lull before grilling season, the cutout is expected to remain well supported between \$320-\$330/cwt.

May-June: Summer grilling season will be in full swing which tends to usher in the strongest beef demand of the year. Production will increase seasonally but is expected to remain at or below year ago levels. A higher trend is expected.

Placements & Shipments

CattleFax Placements

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
MONTHLY TOTALS (000 HD)													
2024	375	496	458	2023	425	553	431	438	561	538	569	444	429
2025	450	371	547	2024	409	574	461	516	576	557	627	407	454
WEEKLY AVERAGES (000 HD)													
2024	85	118	109	2023	104	126	98	109	122	134	130	106	107
2025	102	93	130	2024	93	130	115	117	131	139	136	102	108
25%24	120	78	120	24%23	88	104	118	98	107	104	105	96	101
25%5yr.	89	80	111	24%5yr.	82	95	97	107	101	93	98	84	88

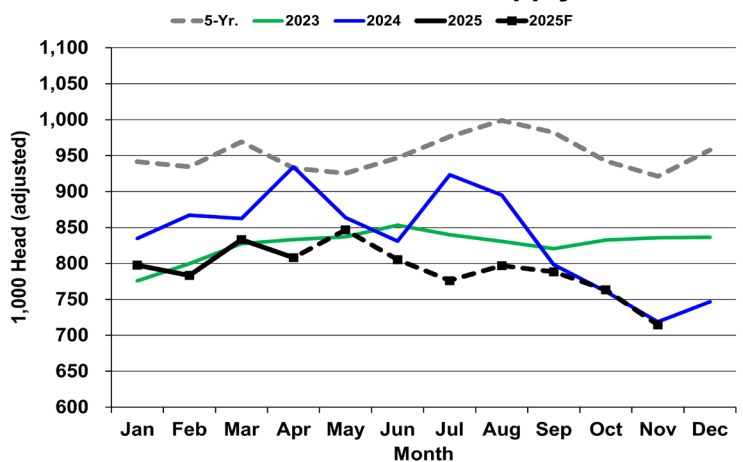
CattleFax Shipments

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
MONTHLY TOTALS (000 HD)													
2024	535	509	490	2023	478	557	545	525	567	489	501	467	481
2025	557	498	523	2024	541	508	521	598	610	545	592	421	523
WEEKLY AVERAGES (000 HD)													
2024	122	121	117	2023	118	127	124	131	123	122	114	111	120
2025	127	125	129	2024	123	116	128	136	139	136	129	105	125
25%24	104	103	111	24%23	104	91	105	104	113	111	115	95	104
25%5yr.	102	105	104	24%5yr.	101	91	101	101	107	104	103	88	97

Projected Fed-Cattle Marketings (000HD)

	Placed Against	Pre-Mo Carryover	Begin Inv	Carryover %	Mo Shipments	Net Weeks	Adj. Wkly Avg Shipments	% of Yr Ago
Apr	625	447	1072	37	709	4.4	121	99%
May	707	416	1123	37	743	4.2	133	115%
Jun	631	436	1068	36	718	4.2	129	99%
Jul	626	404	1029	35	736	4.4	126	93%
Aug	661	396	1057	35	714	4.2	128	92%
Sep	661	385	1045	35	700	4.2	126	92%

CattleFax Fed Cattle Supply



- CattleFax supplies moved lower into April with a small carryover and a smaller placed against supply going into the month compared to year-ago levels.
- After a light February, March placements were strong relative to last year and the 5-year average. Still, smaller carryover should keep supplies relatively tight for the next several months at least.



FEEDER/CALF OUTLOOK

Feeder Rally Stretches the Spread

Mary Kurzweil

Feeder cattle have decisively broken out to the high side to start 2025, after spending the past 18 months trading within a relatively narrow range between \$220 and the low \$260s. Since the beginning of the year, the feeder cattle index has surged nearly \$30/cwt., surpassing \$290/cwt.

This move has been largely driven by cash markets amid tight supply and strong demand. That strength has spilled over into futures as well, with the Feeder Cattle Strip climbing more than \$20/cwt. during the same period. In addition to tight supply, continued strength in the fed cattle market and favorable corn reports have added fuel to the rally and reinforced market optimism.

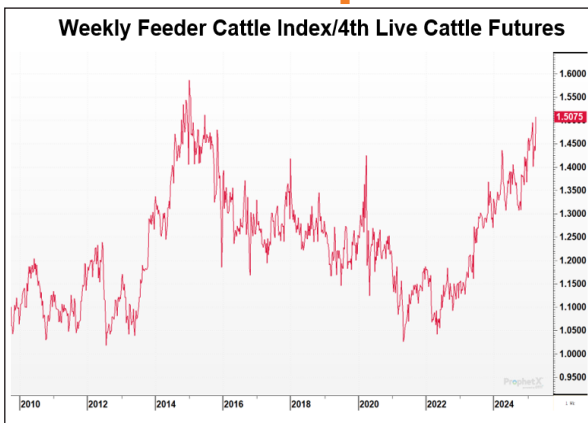
Since January, fed cattle prices have increased by approximately \$15/cwt. Like feeders, this move has been led by cash, but the live cattle futures strip has also gained \$13/cwt.—equivalent to roughly \$200/head for a 1,500 lb. fed steer. In comparison, the \$30/cwt increase in feeder cattle equates to a \$240/head gain for an 800 lb. animal, meaning feeders have outpaced fed cattle in terms of value. This widens the feeder-to-fed cattle spread, a common occurrence at this stage of the cycle, but it also suggests limited upside from current levels as cattle feeders are already pricing in future gains.

A key way to evaluate this relationship is by comparing the fourth live cattle contract to the feeder cattle index. This comparison captures the feeder basis and reflects the anticipated price of fed cattle during the marketing window for newly purchased feeders. That ratio has now reached nearly 1.5—its highest point outside of the 2014 market. Historically, resistance has emerged near the 1.4 level, and memories of past losses may make feeders hesitant to push breakevens much higher than what deferred contracts are offering.

Bottom Line: From a technical standpoint, feeder cattle appear stretched at the upper end of the range, both in the index and futures strip with momentum more than 1 standard deviation above the average. A correction or at least a period of sideways trading seems likely. Futures have already begun to show signs of this late in the week, falling more than \$8/cwt. across all contracts since Wednesday. Feeder cattle volatility is inherently high, and with open interest sitting at record levels, the market is more sensitive to shifts in sentiment. Recent trade headlines and tariff concerns may also contribute to a more cautious, risk-off environment. Feeder cattle futures have outperformed live cattle in the first quarter, driven by strong demand, tight supply, and manageable feed costs. But, the historically wide feeder-to-fed spread suggests a top could be near, especially with higher volatility and broader macro risks in play. A period of consolidation—or a deeper correction—may be on the horizon.

850 LB. STEER BASIS - 3-YR. AVERAGE - CASH MINUS FUTURES

	APR	MAY	JUN	JUL	AUG	SEP	OCT
WA/OR/ID	-10.08	-9.55	-22.23	-15.90	-6.45	-8.83	-9.87
CA	-10.94	-7.77	-22.09	-16.49	-7.59	-9.34	-9.76
MT	-4.19	-4.36	-15.16	-8.57	0.04	-1.88	1.08
WY	0.90	-0.02	-9.63	-4.07	1.12	0.32	1.49
CO	-6.27	-3.86	-13.09	-5.99	0.74	-3.28	-3.92
ND/SD	4.73	4.31	-4.96	0.43	5.62	5.86	5.08
NE	2.81	4.98	-2.23	9.60	10.83	7.99	7.91
KS	-3.85	-2.36	-8.63	-4.40	-0.01	-3.81	-2.01
OK	-5.77	-5.19	-12.89	-6.32	-4.34	-4.54	-3.84
TX	-8.85	-8.44	-18.03	-13.15	-7.92	-6.81	-4.92
MO	-4.85	-3.94	-12.36	-6.57	-3.26	-4.81	-3.51
LA/MS	-4.85	-3.94	-12.36	-6.57	-3.26	-4.81	-3.51
KY/TN	-12.85	-12.27	-24.83	-21.07	-13.17	-13.94	-16.01



FEEDER/ CALF PRICES 04-APR-2025

West	AZ/NM	CA	CO	MT/WY	NV/UT	OR/WA/ID
Wts	STEERS					
9-10	249-260	250-260	258-268	263-274	248-259	249-261
8-9	260-277	264-278	270-284	278-294	261-275	262-280
7-8	276-317	284-318	296-314	296-317	281-319	282-320
6-7	301-344	322-346	329-353	331-367	322-355	322-356
5-6	338-398	353-400	370-400	370-403	354-393	355-390
4-5	386-444	408-446	412-447	407-446	392-434	391-425
	HEIFERS					
8-9	236-261	250-262	253-265	255-274	249-262	248-263
7-8	245-283	267-284	263-281	267-290	266-282	265-283
6-7	272-316	290-318	291-315	302-327	288-315	286-315
5-6	311-376	324-378	337-363	333-367	320-367	318-360
4-5	351-418	386-420	375-405	364-397	366-407	360-398
	COWS					
Util	132-155	141-157	138-150	137-154	138-155	137-155
Cn/Cut	111-131	113-129	135-146	121-140	116-135	118-136
	BULLS					
Bulls	156-176	158-178	164-175	169-181	158-178	157-180
Central	IA	KS/MO	ND/SD	NE	OK	TX
Wts	STEERS					
9-10	270-280	256-274	269-279	271-281	264-274	260-270
8-9	280-294	277-290	283-297	282-296	278-290	274-286
7-8	298-316	295-312	307-325	308-326	295-310	293-308
6-7	334-358	328-353	331-355	340-364	330-350	322-342
5-6	365-395	369-408	373-403	375-405	377-402	357-382
4-5	413-448	414-452	413-448	409-444	410-440	410-440
	HEIFERS					
8-9	254-266	248-264	260-272	261-273	253-265	250-262
7-8	267-285	266-281	273-291	275-293	272-287	263-278
6-7	288-312	283-304	297-321	302-326	291-311	289-309
5-6	322-348	323-353	324-350	338-364	321-346	319-344
4-5	370-400	360-398	358-388	367-397	370-400	370-400
	COWS					
Util	140-152	134-150	137-149	133-145	144-154	130-140
Cn/Cut	106-117	120-135	109-120	106-117	137-147	123-133
	BULLS					
Bulls	163-174	160-178	160-171	156-167	165-175	165-175
Southeast	AL	AR	FL	GA	KY/TN	LA/MS
Wts	STEERS					
9-10	243-253	250-260	232-242	236-246	249-259	241-251
8-9	257-269	266-278	248-260	256-268	264-276	256-268
7-8	281-296	288-303	272-287	282-297	287-302	278-293
6-7	314-334	322-342	302-322	315-335	314-334	312-332
5-6	353-378	358-383	343-368	357-382	348-373	351-376
4-5	399-429	400-430	396-426	395-425	385-415	394-424
	HEIFERS					
8-9	229-241	233-245	220-232	231-243	238-250	233-245
7-8	247-262	250-265	237-252	249-264	253-268	248-263
6-7	278-298	276-296	264-284	273-293	275-295	277-297
5-6	314-339	307-332	300-325	309-334	307-332	305-330
4-5	350-380	350-380	346-376	344-374	337-367	341-371
	COWS					
Util	142-151	138-147	141-150	141-150	139-148	142-151
Cn/Cut	127-136	119-128	126-135	126-135	121-130	127-136
	BULLS					
Bulls	175-183	164-172	176-184	177-185	163-171	167-175

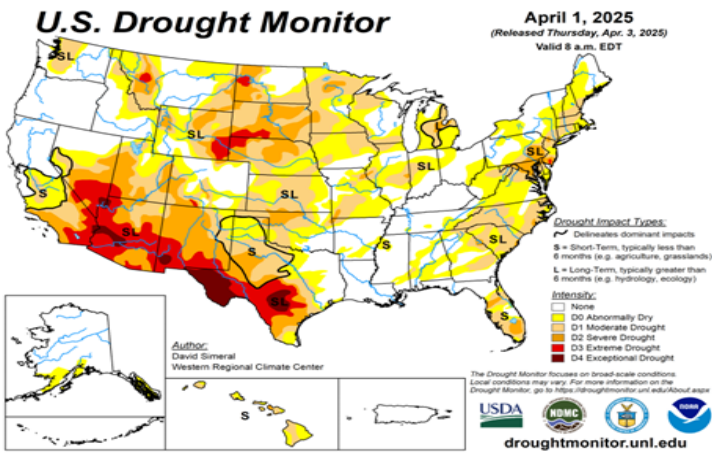
*COMPARED TO PRIOR WEEK - GREEN=HIGHER RED=LOWER BLACK=STEADY

PERCENT PROBABILITY OF A HIGHER PRICE - 3/WKS

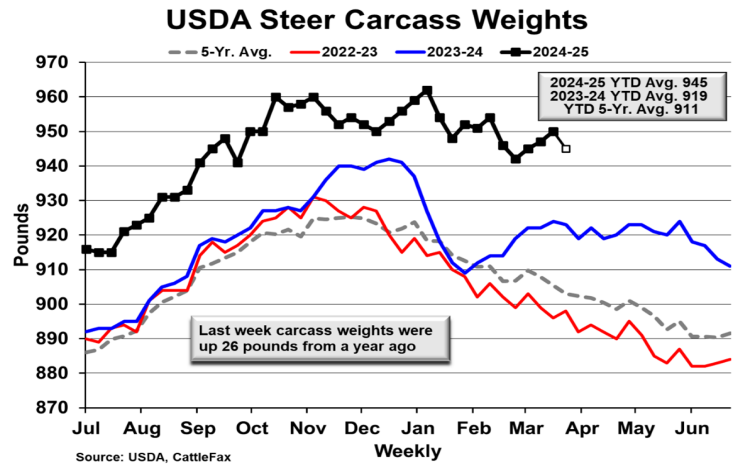
	11-Apr	18-Apr	25-Apr
550 lb Steer	35%	50%	55%
850 lb Steer	60%	65%	65%
Fed Steer	55%	45%	40%
Utility Cow	40%	55%	60%
Composite Cutout	55%	65%	75%

*Compared to prior week - 20 year data

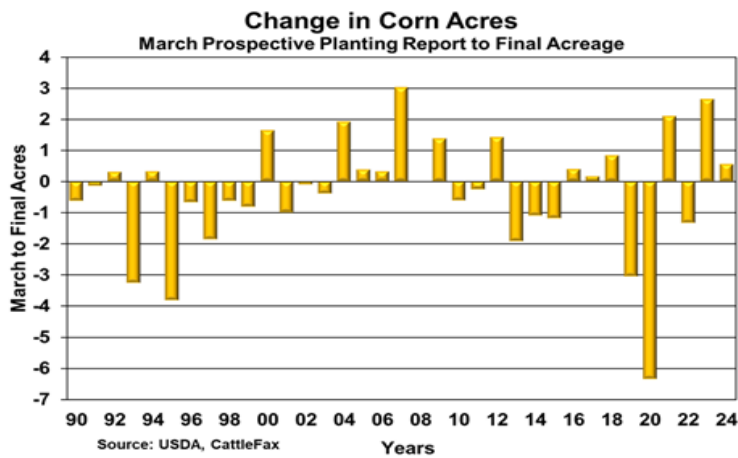
*CattleFax has weekly feeder cattle and calf basis data available for Prime and Choice members. The data can be sorted by state, weight group and sex to better represent a specific market.



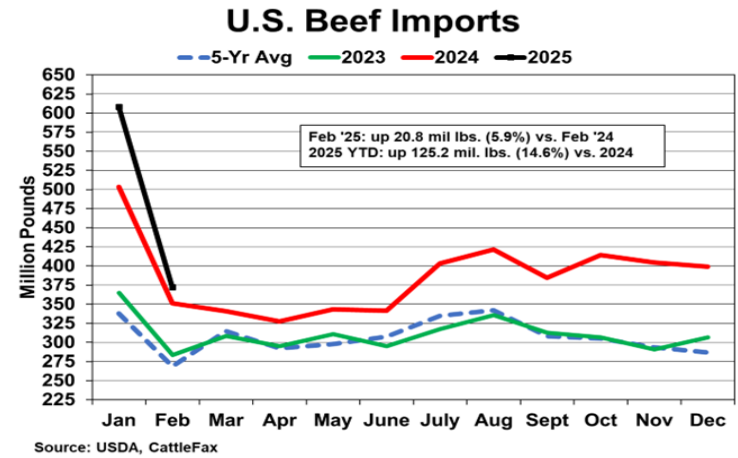
- Overall, drought conditions remained mostly unchanged from a month ago. However, drought conditions are twice as bad as they were the same time a year ago.
- Given the La Nina weather pattern, the drought in the Central Plains will likely continue to expand. The exceptional drought in the Southwest remains a concern.



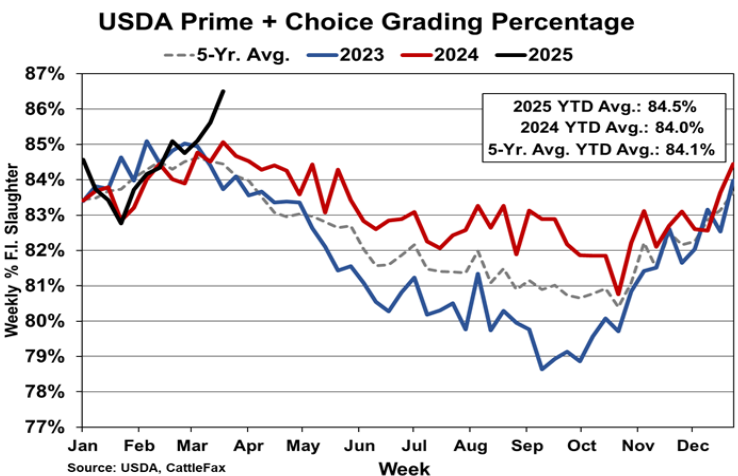
- Steer carcass weights remain well above year-ago levels, but they are at least to a certain degree moving lower seasonally. They are currently 26 pounds above year-ago levels.
- Weights should move lower into the early summer. However, they will likely remain heavier than a year ago for the foreseeable future.



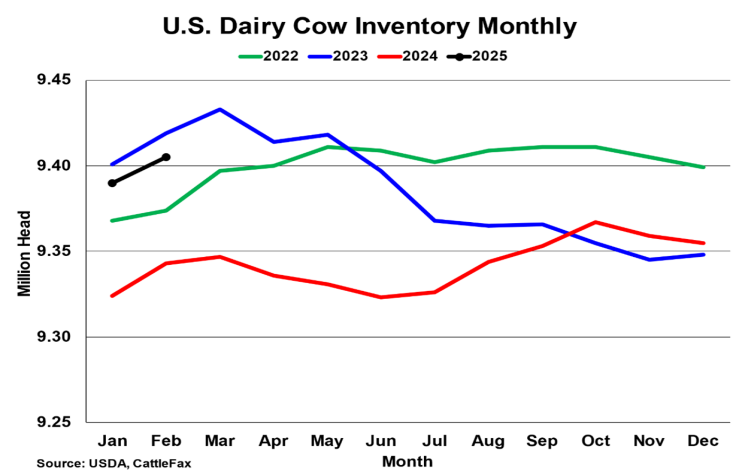
- As referenced in the Feedgrains article, Forty-three percent of the time corn acres are higher in the final report compared to the current Prospective Plantings report.
- Fifty-four percent of the time the final is within 1 million acres of the current estimate with an average change of +/- 1.33 million acres.



- Beef imports are higher to start the year as current market dynamics continue to encourage shipments from around the world. Imports are up nearly 15 percent year-to-date.
- The U.S. is the highest priced large market, so we will continue to attract large volumes of lean trim from global trading partners.



- Cattle continue to grade very well in early 2025. In fact, grade has been at historical levels for the past few weeks.
- Year-to-date, Prime grade has improved by nearly a full percentage point while Choice is about even. The industry continues to respond to consumer demand.



- Dairy margins remain relatively strong as feed costs are subdued, and milk prices are just high enough.
- Monthly estimates suggest a growing herd with inventories at 9.4 million head. This is the highest dairy cow inventory since mid-2023. Some continued growth is expected throughout 2025.

Extended Weather Outlook

April through June 2025 by Matt Makens, Atmospheric Scientist at Makens Weather, LLC

April 2025 - The influence on the next three months primarily stems from the Northern Pacific and Atlantic Oceans, although there is still some impact from the current state of sea surface temperatures in our ENSO region (El Niño-Southern Oscillation). However, recall that our La Niña event has faded, which is typical of any event during the spring months.

The global pattern drivers for this season indicate a strong ridge over the Northern Pacific Ocean, which will impact Hawaii's seasonal trades, and ridging is expected to set up over the Southern United States. This will leave troughing migrating between Central and Northeastern North America. In this scenario, the warmest temperature anomalies will be found across the Southwest, while the coolest temperatures will be observed stretching from Western Canada into the northern High Plains and Upper Midwest. The precipitation pattern will be driest in the West and Southwestern regions and wettest to the east, along the Mis-

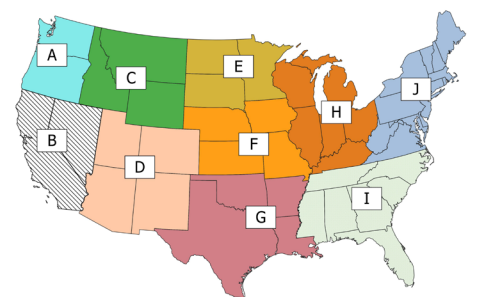
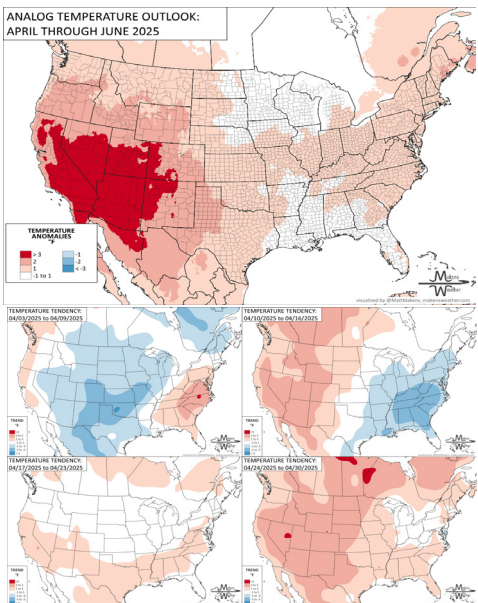
issippi River and eastward, with a focus on the Ohio and Tennessee Valleys. This region will also have the highest risk of damaging thunderstorm outbreaks and flooding.

As planting continues in central and eastern areas, this year's fieldwork days will be more limited, with planting occurring in shorter spans broken up by some wetter periods. Rather than a couple of weeks' worth of field days in a row, we likely see a handful of workable days here, a wet period, and another handful of planting days - a "rinse, cycle, repeat" pattern. For central and western corn-growing areas, planting will not be significantly impacted by wet conditions, unlike in regions to the east. Instead of a monthly average outlook for April, this update provides a breakdown for the next four weeks, categorized by temperature and precipitation.

Turning to analogs. The seasonal outlook probabilities are based primarily on April through June 1960, 1996, 2013, 2017, 2018, and 2021. From those years, drought conditions persist in the West and Southwest, extending into parts of the Plains. Redevelopment of

drought occurs in central Texas and Oklahoma, as well as in the Panhandles, extending northward into western Kansas and Colorado. Furthermore, seasonal river flows originating in New Mexico and southern Colorado are expected to be below average due to poor snowpack levels from the winter.

Into June, we can expect the onset of the monsoon as rains progress from Mexico into the Southwestern United States. The monsoon is likely to be wetter this summer compared to last year for the Four Corners Region and into the western fringes of the Plains. Western portions of Texas, Oklahoma, Kansas, Nebraska, and Northeastern Colorado will need the monsoon for later-season grazing and non-irrigated feeds, as the longer-term outlook continues to favor another Neutral to La Niña fall and winter, which historically delivers drought for most of the total herd. Currently, data suggest an 84% probability of such an outcome by the end of 2025.



Regional Specifics for April through June 2025

Region A: Drought areas continue east of the Cascades, particularly Oregon. The best opportunity for moisture will be early in the period, as June is typically quite dry in this pattern. Temperature anomalies are expected to increase, ending the season at +1 to +2°F.

Region B: Overall, it is frequently drier than average until the monsoon is established; historically, precipitation is less than 60% for southern areas, with some isolated areas experiencing surplus moisture in the northern regions. The season's temperature anomaly is expected to warm to more than +3°F.

Region C: Mountainous areas can benefit the most from early-season moisture but will dry rapidly into June. The Plains historically receive below 90% of the normal precipitation. Temperature anomalies are expected to increase into June as drier conditions prevail, with a seasonal departure of +1 to +2°F. Wind events may intensify drought growth.

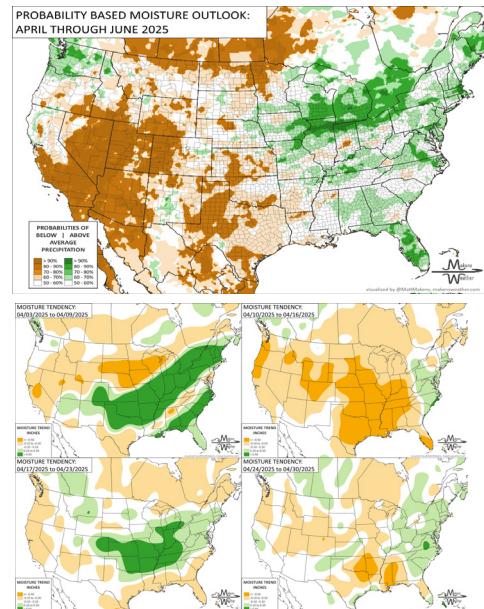
Region D: Isolated moisture early in the season, but an increase in the monsoon for the south throughout June. Drought conditions are expected to worsen before the monsoon's

stronger impact later this summer. The season's temperature anomaly is expected to warm by more than 2 to 4°F. Wind events can intensify drought conditions and increase the risk of fire danger.

Region E: Moisture probabilities are highest to the southeast. Much of the northernmost high plains will progressively see less frequent moisture, with seasonal precipitation totals of less than 90%. Temperatures will be coolest in April, ending the season at 0 to +1°F. Wind events can intensify drought conditions and increase fire risk.

Region F: Driest in the west, wettest to the east, where planting may encounter fieldwork issues due to precipitation that historically exceeds 110% of the average. Temperatures range from +2°F to the west and 0 to +1°F to the east. Wind events can intensify drought conditions and increase fire danger.

Region G: The potentially wettest conditions are to the east, but drought conditions are growing in the west. Severe weather outbreaks will be most frequent along and east of I-35. Precipitation below 80% for the western



into central areas. Temperature anomalies to the west of at least +2°F. Wind events may intensify drought growth and fire danger in the panhandles.

Region H: Potential fieldwork issues may arise during periods of precipitation and severe thunderstorms. Conditions will begin to dry in May and accelerate in June, with some concern about drought during pollination. Wettest areas exceed 120% of normal. Temperatures remain cool in April, average to warmer than average in May, and continue to climb well above average for June.

Region I: Historically, the season's average looks wet, but note that much of that may hold off until June. Until then, drought conditions are possible for Florida and the Southeast. Northern areas are expected to experience a very wet April, potentially leading to flooding. Temperatures have historically been in a 0 to +1°F range for the season.

Region J: Moisture favors the west and south, but odds for at least normal precipitation do favor the entire area. Temperatures average +1 to +2°F historically.

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Every day, you navigate a complex business and changing demands. Experior® (lubabegron Type A medicated article) creates the freedom and flexibility to support environmental stewardship without hindering animal performance measures* (average daily gain, feed efficiency, or carcass characteristics).

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Indications for use: For the reduction of ammonia gas emissions per pound of live weight and hot carcass weight in beef steers and heifers fed in confinement for slaughter during the last 14 to 91 days on feed.

Directions for use: Feed 1.25 to 4.54 g/ton (1.39 to 5 ppm) of complete feed (90% dry matter basis) to provide 13- 90 mg lubabegron/head/day continuously to beef steers and heifers fed in confinement for slaughter as sole ration during the last 14 to 91 days on feed.

Based on existing information, reliable predictions of the reduction of ammonia gas emissions cannot be made on a herd, farm, or larger scale.

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SLAUGHTER COW UPDATE

Holding Steady

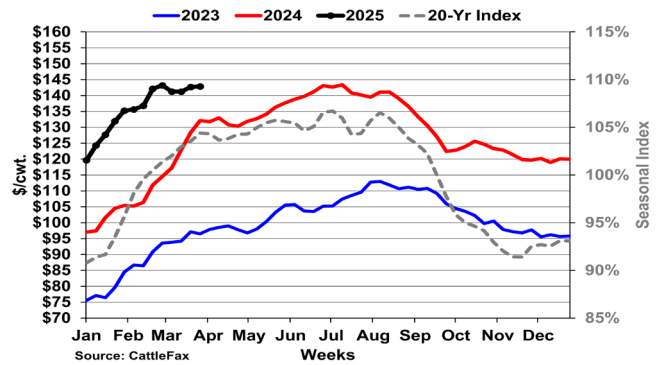
Matthew McQuagge

Cull cow prices leveled off last month as beef cow slaughter reached its highest levels of this year before dropping back lower last week. The U.S. Utility cow price averaged \$141.99/cwt. in March compared to \$139.42/cwt. in February. Look for the higher trend to reestablish as record high 90s lean trim values drive strong demand on limited cull cow numbers.

Beef cow slaughter is 570 thousand head year-to-date, down 19.6 percent or 140 thousand head, and dairy cow slaughter is 640 thousand head, down 6.8 percent year-to-date or 47.1 thousand head. Bull slaughter is 90 thousand head, down 10.2 percent. Cow carcass weights are averaging 668 pounds, up 22 pounds from last year.

Non-fed slaughter is forecast to remain below the first quarter levels through the summer before picking back up in the fall. As 90s trim prices are expected to continue to push higher over the next two months, this will provide further support to cull cow values. Look for Utility cow prices to establish a practical range this summer between \$145 and \$155/cwt. on a U.S. average basis.

CattleFax U.S. Utility Cow Price



- Utility cow prices are expected to continue higher before settling into a practical trading range between \$145 and \$155/cwt. this summer with potential to reach a high of \$160.
- Tighter domestic supplies and strong ground beef demand will leave the market well supported.

FEMALES UPDATE

Spring Trade Wrapping Up

Terrel Platt

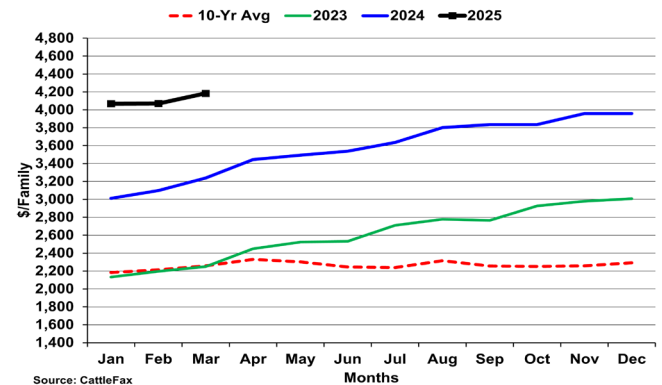
The bred female market continued to edge higher in March, with U.S. bred heifer and cow prices increasing by nearly \$100 per head. Bred cows averaged around \$3,575 per head, while heifers approached \$3,700 per head. Seasonally, bred female prices may begin to stall in April as demand peaks and focus shifts towards spring turnout.

Dry conditions are expected to remain a headwind to robust expansion, but female prices are expected to remain supported through the summer. Drought conditions will likely restrain demand to some degree, but the elevated calf market should hold bred prices between \$3,200 and \$3,500 per head.

Pair prices have commanded a significant premium compared to last year with prices holding between \$4,000-\$4,200 per pair through the start of the year, which is around \$1,000 increase compared to the same time last year. Counter to bred heifers and cows, pairs may continue to trend higher through the summer as the prospect of purchasing three in ones draws demand.

The market continues to send the margin signal at the cow calf level that expansion is warranted but the herd rebuild is shaping up.

U.S. Pair Price



- Bred female prices rose in March, averaging \$3,600-\$3,700 per head, but are expected to soften heading into the summer as demand fades.
- However, pair prices may continue to trend higher into the fall especially if the value of the calf at side remains near record levels.

CATTLE-ON-FEED ESTIMATE

Placements Shift

Holden Ramey

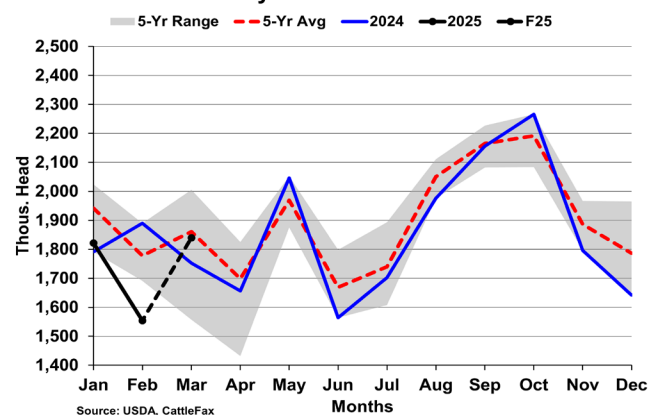
April's cattle on feed report is expected to show placements shifting back above year ago levels by 5 percent. In March, the availability of cattle to place increased. Auction receipts ran above year ago levels most weeks. At the same time, demand was likely helped by the deferred live cattle futures as they pushed into new highs during the month of March. The volume of feeder cattle coming out of Mexico likely helped keep increases in placements muted, as they remain well below year-ago levels.

Marketings are expected to come in nearly 1 percent above last year on the same number of days as last year. Placements ultimately are projected to outpace marketings, which would result in an increase in on-feed from March 1 to April 1. This is counter to the normal seasonal pattern. Even with the month over month increase, on-feed is expected to remain over 1.5 percent below 2024.

U.S. Cattle on Feed April 1, 2025 (1,000+ capacity)

	5-Yr Avg	2024	2025	%Yr-Ago	%5-YrAvg
COF Mar. 1	11,915	11,838	11,577	97.8	97.2
Placed	1,861	1,752	1,840	105.0	98.9
Marketed	1,947	1,707	1,720	100.8	88.3
Other Dis.	57	57	57	100.0	100.4
COF Apr. 1	11,772	11,826	11,640	98.4	98.9

Monthly USDA Placements



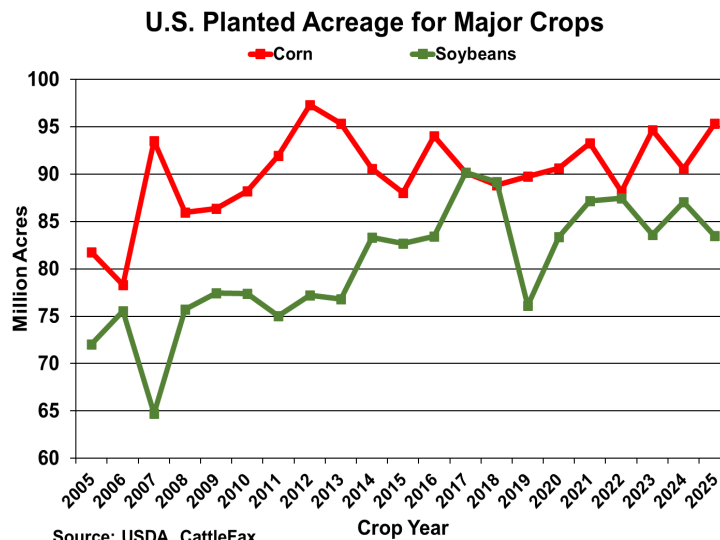
- Given current expectations, the placement pattern appears to have shifted back and is more in line with the historical average. Placing more in January and March, and less in February.
- With the March forecast included placements year-to-date are running down 4 percent or 217,000 head.

Prospective Plantings – More Corn Acres

Troy Bockelmann

The end of March marks the first survey-based release on acres expectations for the year as the USDA releases the Prospective Plantings report. Coming into the report, industry expectations were for more corn acres and fewer soybean acres. The new crop soybean-to-corn spread trading between 2.2-2.3 had indicated that could be the case. When the report was released, that is exactly what happened. Corn acres were estimated at 95.3 million acres, 4.7 million acres above a year ago and a little over 1 million acres above Industry expectations. As corn acres moved higher, soybean acres were down 3.6 million acres from a year ago to 83.5 million acres.

With the crop not even in the ground yet, historically how close are final acres to what is estimated in the Prospective Plantings report? Since 1990, the average +/- change from the March to final report is 1.3 million acres. Just over half the time, the final report is within 1 million acres of the March report. Interesting enough, when corn acres grow from one year to the next, half the time corn acres grow from March to the final report. So, what does this all mean? Without some challenge from planting or flooding, it should not be expected to see corn acres below 94.3 million acres. As corn acres came in the fourth largest since 1990, it is also unlikely to see significant growth from here. This can start to put some parameters on the supply side of the balance sheet. Assuming average percent harvested and trendline yield of 181 bu./acre, this would equate to a



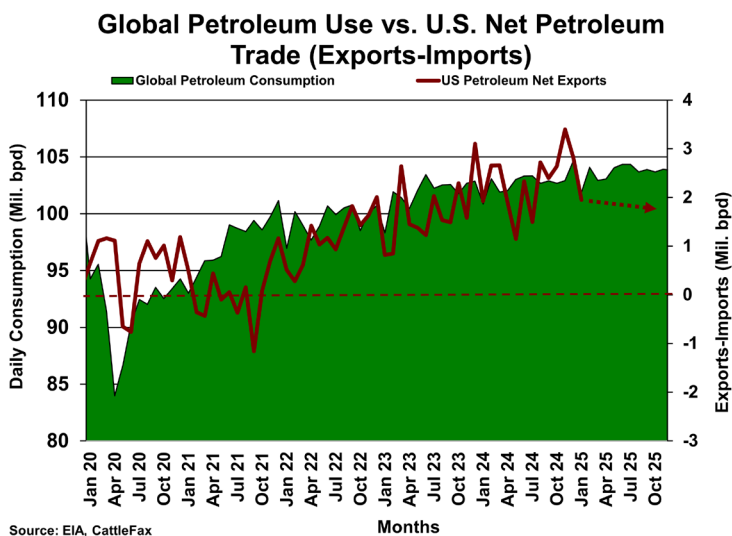
record corn production of 15.8 billion bushels. Yet, demand remains strong for corn, record production would be expected to be met with record demand. As a result, stocks-to-use could grow from the current 10.2 percent old crop estimate to near 14 percent for the 2025/26 market year. On the flip side, it is likely that soybean stocks-to-use decrease in the new market year, moving closer to 7 percent. Without the tariff noise, this would be supportive to soybeans but limit topside potential for corn to below \$5.00.

Tariff Turmoil

Marcus Brix

President Trump unveiled his long-awaited proposal for “reciprocal tariffs” by implementing a blanket 10 percent tax on imports from most every country in the world, also levying a more aggressive import tax rate on the countries with which the U.S. has the largest trade deficits (China, the EU, Vietnam). Reciprocal tariffs are missing exemptions for consumer staples which the U.S. cannot reliably produce on its own like bananas or coffee, or exemptions on critical resources which the U.S. is naturally short in. Although, the situation is evolving, with previous tariff announcements quickly adjusted based on reactions from consumers, industry executives, and trade partners.

World leaders are deciding how to respond to the new, chaotic trade policy which will restructure how hundreds of billions of dollars move around the globe. Australia’s prime minister vowed not to retaliate with any new trade barriers, while new retaliatory tariffs have already been announced from China (+34 percent), and similar measures are expected to come from the Europeans. Consumer sentiment has been trending lower with inflation from tariffs listed as a primary concern. Trade policy has also been a clear driver of economic uncertainty and has forced financiers like Goldman Sachs and JP Morgan to revise their previous recession forecasts. Several markets, ranging from equities to commodities, fell into a risk-off trading pattern this week after the tariff announcement. Spot crude oil futures have dropped 7 percent in the past 2 trading days, which marks the worst short-term loss for WTI since the COVID market crash. The Bloomberg Commodity Index is also down 7 percent from Wednesday.



Adding to the negative pressure on crude oil was the OPEC+ decision to expand production increases by nearly double their previously planned rate. OPEC+ is now scheduling their May crude production to be higher by 411,000 barrels per day vs. the 200,000 bpd. increase they proposed last month. Accelerated selloffs are reflecting both potential recessionary demand and the expectation for larger supplies near-term, though the situation will remain fluid and subject to change. With the trade war still in its earliest stages, OPEC+ could be viewing global supply opportunistically, hoping to re-absorb some of the market share they lost to the United States over the past decade.



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U.S. Trade Update

Mike Miller

Beef export and import totals for February were released this week, showing that exports were down for the month and imports were higher. Exports were down nearly 7 percent while imports were up about 6 percent.

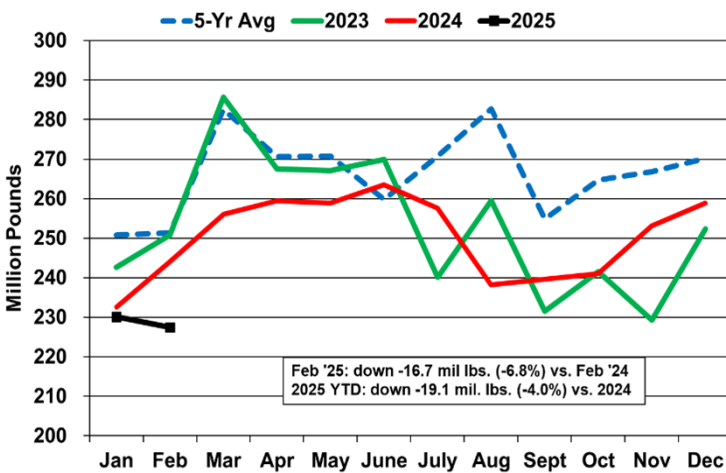
Year-to-date, beef exports are down 4 percent or 19 million pounds. Mexico and Japan are the largest movers to the downside while totals to South Korea, China and Canada are higher. It is important to note that the U.S. is currently shut out of China due to the expiration of export facility certificates. This occurred in mid-March, however, there is expectation that the issues should be resolved in fairly short order. As of this writing, China is closed to U.S. beef.

Beef imports continue to increase as the market continues to encourage additional volume into the U.S. Year-to-date, imports are up 125 million pounds or 15 percent. Australia and Brazil account for much of the increase. However, shipments have increased significantly from Mexico, Uruguay, Paraguay, and Argentina in early 2025.

Keep in mind that many South American countries attempt to “front load” shipments to the U.S. in an attempt to avoid higher duties. The tariff rate quota was filled in January, so all shipments from those countries paid the duty in February.

Bottom Line: The announced U.S. tariffs and retaliatory tariffs will likely lead to some level of trade disruption. Current thoughts are that the markets will adjust, and trade flow will resume at expected levels. Obviously, this is a big assumption and one that we will monitor closely in the coming months.

U.S. Beef Exports



Source: USDA, CattleFax

Summary of Activity

	THIS WEEK 4-Apr-25	LAST WEEK 28-Mar-25	YEAR AGO 5-Apr-24
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	THIS WEEK 4-Apr-25	LAST WEEK 28-Mar-25	YEAR AGO 5-Apr-24
CattleFax Data			
Placements	110,329	129,010	83,320
Shipments	122,453	131,868	119,279
Avg In-Weights	765	757	743
USDA Sltr Wgts	1,428	1,430	1,399
USDA Str Carc Wgt*	950	947	924
Days on Feed	209	203	194
Carryover Pct	37	38	43
Weekly Supply	444,800	471,300	560,100
Percent Grade Choice & Higher	86.5	85.61	85.06
Prime Grade Pct	11.61	11.55	10.94
Choice Grade Pct	74.89	74.06	74.12
Select Grade Pct	10.57	11.42	11.5

* USDA steer carcass weights are actual from two weeks ago.

Live Prices (\$/cwt)

Slaughter Steers	210.45	211.66	185.87
Steer Calf (450#)	421.25	418.20	357.66
Steer Calf (550#)	377.18	374.61	327.01
Yearling Calf (650#)	335.63	333.23	292.43
Yearling Calf (750#)	300.88	299.30	260.25
Yearling Calf (850#)	277.48	277.03	237.63
Utility and Commercial Cows	143.39	142.86	131.76
Canner and Cutter Cows	126.85	126.24	113.21
Lean Hogs	88.72	88.78	86.31
Omaha Corn (\$/bu)	4.47	4.38	4.46
12-City Broiler	135.16	134.81	133.01
Dollar Index	102.84	103.70	104.07

Meat Prices (\$/cwt)

Certified Angus Beef Cutout (UB)	342.43	338.86	307.46
Choice Cutout	338.37	335.72	297.15
Select Cutout	317.84	319.44	296.05
Choice/Select Price Spread	20.53	16.28	1.10
Cow Cutout	296.65	297.35	265.29
Hide and Offal	11.79	11.58	11.94
Pork Cutout	94.81	94.84	98.15

Slaughter (000 hd) and Meat Production (Mil lbs)

Cattle	591	609	614
Hogs	2520	2480	2408
Total Red Meat Production	1062	1068	1043
Beef Production	513	529	519
Pork Production	545	536	521
Poultry Production	NT	876	849

Daily Cattle Prices (\$/cwt)

	CME AVG FDR PRICE	6 STATE FED STR PRICE**	KS-TX-OK FED STR**
Thu Apr 03	NT	210.49	208.02
Wed Apr 02	291.93	210.00	210.00
Tue Apr 01	291.27	211.47	209.69
Mon Mar 31	291.02	211.47	209.69
Fri Mar 28	291.50	211.47	209.69

** 5-Day weighted average fed steer price (CO, IA, KS, NE, TX, OK), (KS, TX, OK)

F.I. Slaughter Mix (000 head)

		----- Week Ending -----		----- Year To Date -----			
		22-Mar-2025	23-Mar-2024	2025	2024	Pct Chg	
Total Sltr	558	593	6895	7124	DN -3.2		
	Pct	No	Pct	No			
Steers	47.1	263	45.9	272	3364	3352	UP 0.4
Heifers	33.5	187	33.7	200	2225	2269	DN -1.9
Cows	17.8	99	18.8	111	1218	1405	DN -13.3
Bulls	1.5	8	1.5	9	87	97	DN -10.3