

# Agriculture By the Numbers

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**NDSU Extension Agribusiness and Applied Economics**

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## Market Advisor: Beef Production Will Impact Beef Cow Herd Rebuilding

Tim Petry, Extension Livestock Marketing Specialist

Cattle prices have been increasing cyclically since the last cyclical price low in 2020, and they have started 2026 on a record-high pace again. Prices have been supported by cyclically declining beef cow numbers — which have been occurring since 2019 — and strong beef demand.

High prices are encouraging beef cow herd restocking in areas where improved grazing conditions allow it. The top 10 beef cow states, in order of importance, are Texas, Oklahoma, Missouri, Nebraska, South Dakota, Montana, Kansas, North Dakota, Kentucky and Florida. These states account for 57% of the U.S. beef cow herd.

Six of those states — Texas, Missouri, Oklahoma, Montana, North Dakota and Florida — saw increases in beef cow numbers during 2024, indicating interest in beef herd restocking.

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# Market Advisor: Beef Production Will Impact Beef Cow Herd Rebuilding — continued from page 1

The USDA National Agricultural Statistics Service will release the annual Jan. 1 U.S. Cattle Inventory Report on Jan. 30, which will document changes in beef cow and beef replacement heifer numbers. The report may show modest increases in those categories and will be the topic of next month's column.

Even though beef cow numbers have declined, the beef industry remains highly adaptive and resilient in producing beef.

On a long-term basis, beef cow numbers have generally declined since 1975, with each cyclical high lower than the previous cyclical high. However, U.S. beef production has been on a long-term uptrend despite the decline in cow numbers.

Beef cow herd expansion is expected in the next few years if forage availability allows, but numbers will likely not reach the previous cyclical high of 31.6 million head due to increased beef production.

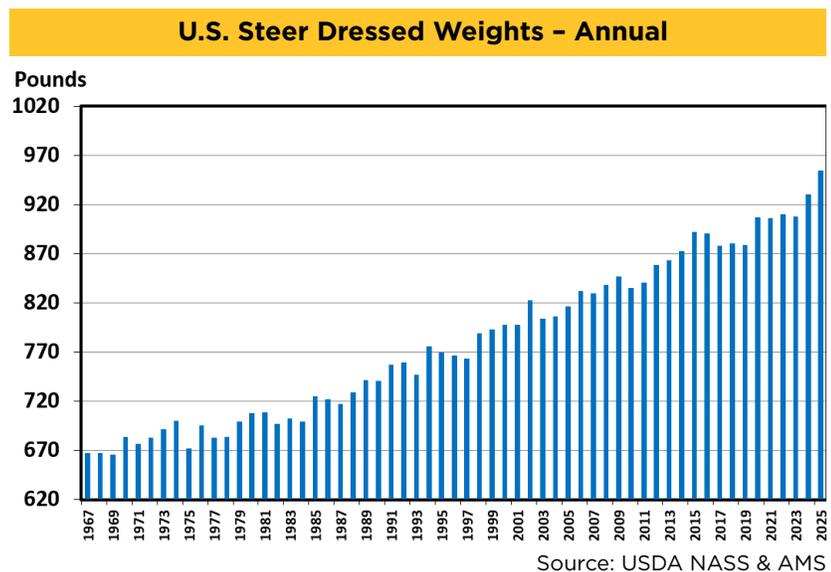
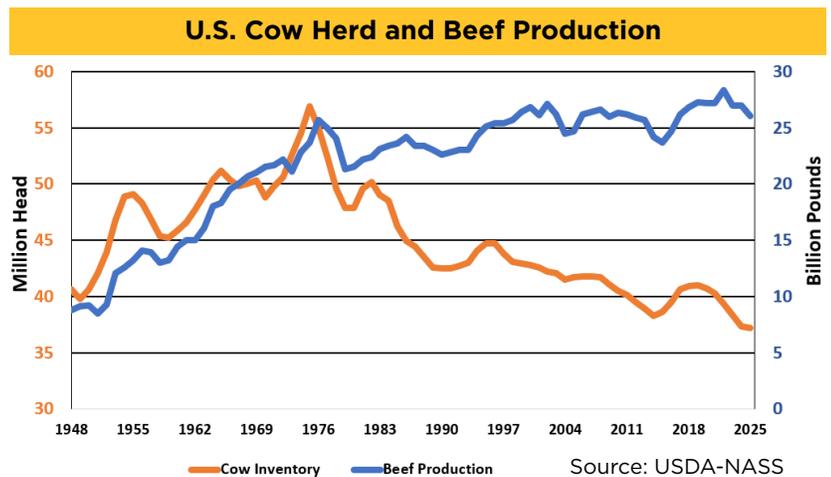
The long-term increase in beef production was driven by higher fed cattle live and carcass weights. Carcass weights have trended higher for over 60 years, with steer carcass weights increasing an average of over 4 pounds per year. Steer carcass weights averaged a record-high 955 pounds in 2025, compared to 931 pounds in 2024 and 908 pounds in 2023.

The increase in steer and heifer carcass weights over the last two years amounted to the equivalent of slaughtering more fed cattle than the 1,075,800-head, two-year decline in beef cow numbers. That is just one of the reasons beef cow numbers may not return to the last cyclical high.

Feedlots are keeping cattle on feed longer and feeding to higher weights due to fewer feeder cattle available at near-record-high prices and low feed costs. USDA estimates a record-high 17-billion-bushel corn crop with a \$4.10 average U.S. price this marketing year.

Beef packers are encouraging higher weights to help bolster lower beef production levels, as strong beef demand has driven historically high beef cut-out values.

U.S. beef production reached an all-time record high of 28.36 billion pounds in 2022, buoyed by drought-forced beef cow liquidation. In 2023 and 2024, beef production declined to 27 billion pounds with fewer cattle available.



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## Market Advisor: Beef Production Will Impact Beef Cow Herd Rebuilding — continued from page 2

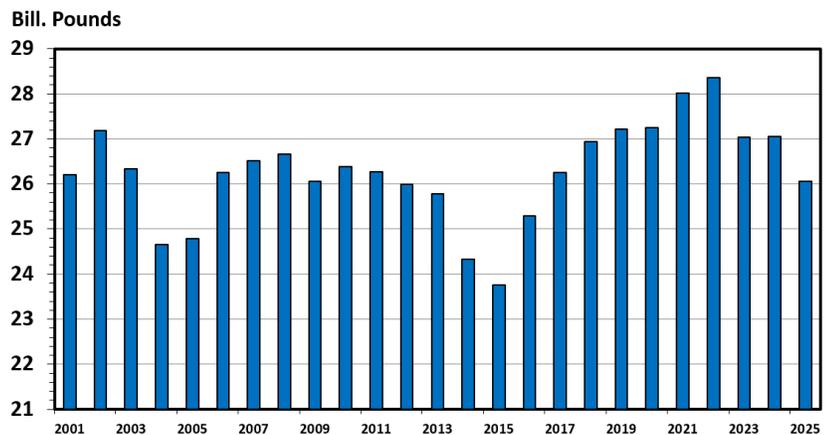
Each month, USDA forecasts annual beef production and prices in the “World Agricultural Supply and Demand Estimates” (WASDE) report. It is available at [www.usda.gov/oce/commodity/wasde](http://www.usda.gov/oce/commodity/wasde).

USDA’s January 2026 estimate for 2025 beef production was 26.07 billion pounds, with another decline to 25.8 billion pounds in 2026.

Lower beef production will be supportive of cattle prices.

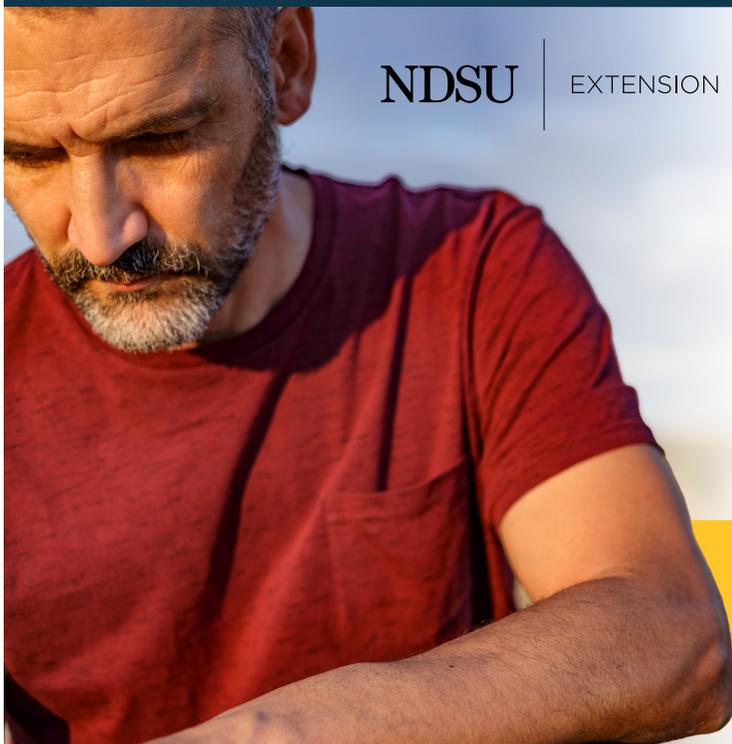
USDA projects fed cattle prices to average a record high of \$236 per hundredweight (cwt.) in 2026, up from \$224/cwt. in 2025.

U.S. Beef Production - Annual



Source: USDA-NASS

## Farming and Ranching are Stressful



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Concerns about production, prices and policy can weigh heavily on us.

It is okay not to be okay in times of high stress, whether during harvest time or when dealing with an uncertain farm economy.

If you feel isolated or overwhelmed, talk to someone — family, friends or a professional. Reaching out for help isn't weakness; it's a sign of wisdom and strength. Recognize that you're not alone.

Take time to connect with resources that can support you and help you to be resilient in tough times. **Find stress management tools made for farmers and ranchers at [ndsu.ag/managingstress](https://ndsu.ag/managingstress).**

If you or someone you know is struggling or in crisis, help is available. **Call or text 988.**

# Commodity Price Projections for 2026

NDSU Extension specialists:  
Ron Haugen, Tim Petry and Frayne Olson

NDSU Extension has released its 2026 short- and long-term agricultural planning price projections for North Dakota. Planning for the future can be a very frustrating process, especially in times of market volatility and tight margins. Planning typically pays high dividends. For most farm and ranch managers, developing realistic commodity price expectations is one of the most difficult and complex tasks of the planning process.

Short-term planning crop prices is more important than ever in this era of tight crop margins. Every producer's situation is different in regard to yield expectations and price contract opportunities. These projections should be used as a guide in setting expectations for the 2026 production. These planning prices can be used for preparing annual enterprise budgets and annual whole-farm cash flow projections.

Livestock price projections are hitting new highs, but crop price projections are lower than a year ago.

The price publication shows 2026 price projections for crops and livestock produced in the state, as well as price estimates for future years. Price projections are given for the major crop commodities, including wheat, durum, oats, feed barley, malting barley, oil sunflowers, non-oil sunflowers, corn, soybeans, canola, flaxseed, winter wheat, dry beans, dry peas, lentils, alfalfa hay and mixed hay. Price projections for livestock and livestock products include beef steers and heifers at various weights, cull cows, slaughter steers, slaughter hogs, slaughter ewes, slaughter lambs, feeder lambs and milk. The publication also provides historical prices as a reference.

Long-term price projections should be used for planning capital purchases or expansion alternatives that would extend beyond the next production year.

The "Plotting a Course 2026" publication EC1090 is available online at [ndsuhq.com/plotcourse26](https://ndsuhq.com/plotcourse26) or by contacting an NDSU Extension county office.

## 2026 Planning Price Projections

Crop	Price
Spring Wheat	\$5.75/bu
Durum Wheat	\$6.75/bu
Oats	\$2.50/bu
Feed Barley	\$3.00/bu
Malting Barley	\$5.00/bu
Oil Sunflower	\$21.00/cwt
Non-Oil Sunflower	\$28.00/cwt
Corn	\$3.75/bu
Soybeans	\$9.75/bu
Canola	\$20.00/cwt
Flaxseed	\$13.50/bu
Winter Wheat	\$5.00/bu
Dry Beans	\$27.00/cwt
Dry Peas	\$11.67/cwt
Lentils	\$19.00/cwt
Alfalfa Hay	\$95.00/ton
Mixed Hay	\$70.00/ton

## 2026 Planning Price Projections

Livestock and Milk	Price/cwt
400-500 lb Beef Steers* <sup>F</sup>	\$450.00
500-600 lb Beef Steers* <sup>F</sup>	\$395.00
600-700 lb Beef Steers** <sup>F</sup>	\$360.00
700-800 lb Beef Steers** <sup>S</sup>	\$340.00
800-900 lb Beef Steers*** <sup>S</sup>	\$325.00
1100-1700 lb Cull Cows	\$155.00
250 lb Slaughter Hogs	\$65.00
Slaughter Ewes	\$90.00
105-140 lb Slaughter Lambs	\$220.00
60-90 lb Feeder Lambs	\$260.00
All Milk	\$20.00

\* To estimate heifer prices subtract \$30/cwt

\*\* To estimate heifer prices subtract \$20/cwt

\*\*\* To estimate heifer prices subtract \$10/cwt

<sup>F</sup> Fourth quarter 2025 prices

<sup>S</sup> First quarter 2026 prices

# Global Wheat Markets Remain Competitive

Frayne Olson, Crop Economist/Marketing Specialist

Understanding the dynamics of the wheat markets is more complex than those of the corn or soybean markets. Wheat is primarily used for human food production, while corn and soybeans are mainly used for animal feed and biofuels. The quality traits of wheat significantly influence the end-use characteristics of wheat flour and the products made from this flour. In other words, not all wheat is considered equal.

In the United States, there are six primary wheat classes traded: hard red winter, soft red winter, hard red spring, soft white, hard white and durum. Most other countries have developed and use their own unique wheat classification and grading systems to meet their own needs. This makes it difficult to

directly compare wheat quality and prices across countries. It also makes trading wheat internationally more challenging.

To simplify international wheat trading, three core features are used to categorize wheat: seed hardness (hard vs. soft), crude protein (10.0%-14.5%) and country of origin (U.S., France, Russia, Australia, Argentina, etc.). Hard wheat with an 11.5%-12.5% protein content is the most common “base” wheat for global prices. Other wheats have a price premium or discount relative to these base wheat classes. Country of origin can play a role in prices due to differences in the consistency of wheat quality, reliability of delivery timing and the quality specifications of the company purchasing the wheat.

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istockphoto.com

# Global Wheat Markets Remain Competitive

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U.S. wheat prices are heavily influenced by global wheat trade. Figure 1 shows the historical U.S. wheat usage for all wheat classes combined. The “food” category represents wheat used by domestic wheat mills, which has been very stable over the past 25 years.

The “feed and residual” category consists of wheat used for livestock feed, which is usually low quality and cannot be used for milling. Residual refers to wheat that spoils or is wasted during storage and transportation. Feed and residual is relatively small, but can vary significantly from year to year due to quality variations. The “seed” category is also relatively small and has been stable over time.

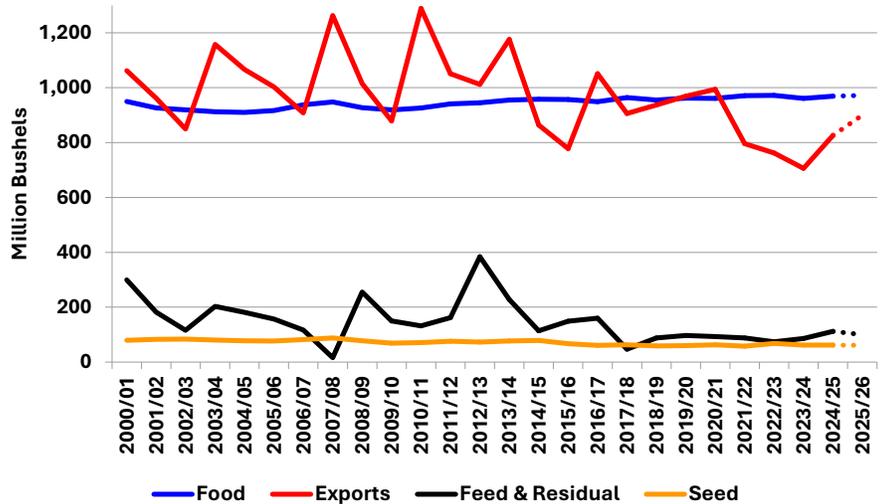
However, the “exports” category has fluctuated significantly over the past 25 years and can considerably impact local wheat prices. Global wheat supply, demand and export competition play a significant role in the U.S.’s ability to sell wheat in the international market.

Figure 2 shows the historical wheat export levels for the top seven wheat-exporting countries. Notice that the U.S. (the black line) was the largest wheat exporter throughout the early 2000s. However, by the early 2010s, the European Union and Russia began exporting more wheat than the U.S. The current USDA forecasts show the U.S. as the fifth-largest wheat exporter in the 2025/26 marketing year. The combination of expanding production capacity and improved transportation and logistics efficiencies in other countries has resulted in more global competition.

In addition, global wheat production is projected to increase faster than global consumption in the 2026/26 marketing year. As a result, global wheat ending stocks are projected to increase. Figure 3 shows historical world wheat ending stocks by country. Ending stocks are the amount of grain remaining in inventory just before the next harvest begins. The USDA uses a June 1 to May 31 marketing year for U.S. and global wheat accounting.

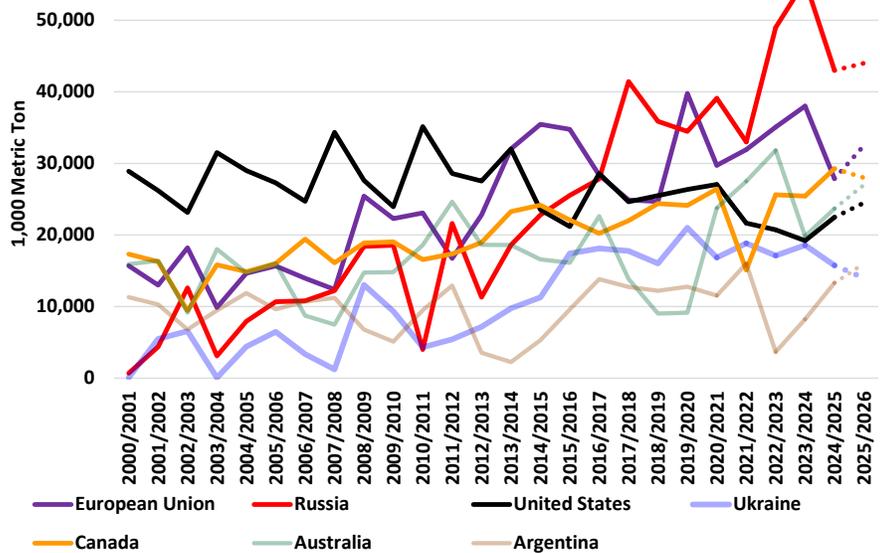
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**Figure 1. Historical U.S. All Wheat Usage**



USDA Jan. 12, 2026 World Agricultural Supply and Demand Estimates and Wheat Yearbook Table 5.

**Figure 2. Historical Wheat Exports for the Top Seven Exporting Countries**



USDA Jan. 12, 2026 World Agricultural Supply and USDA PSD (Production, Supply and Distribution) Database.

# Global Wheat Markets Remain Competitive

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Notice that China maintains significant wheat inventories. China and the European Union consistently vie for the title of the world’s largest wheat producer. Differences in domestic wheat yields usually determine which country has the largest production. China exports only small amounts of wheat but imports some each year, depending on domestic production and quality levels. China maintains these large ending stocks for food security reasons.

Figure 4 shows the historical wheat ending stocks for the top seven largest wheat exporters. These are the same countries listed in Figure 2.

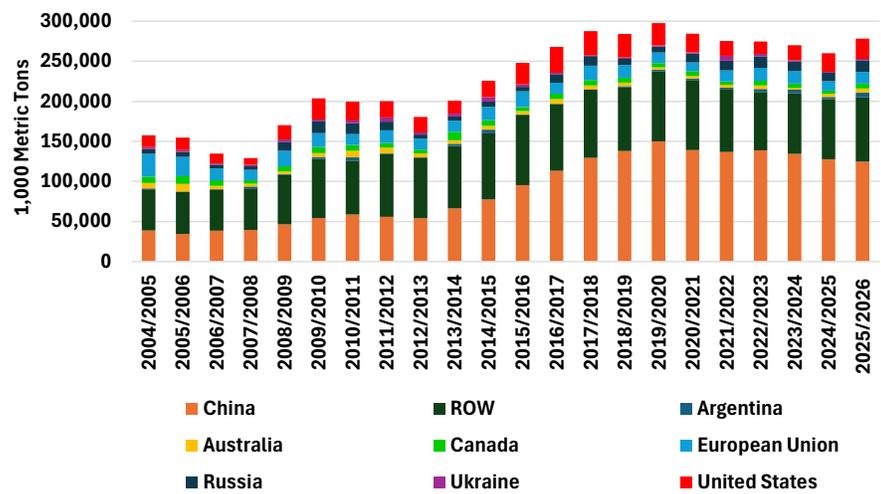
Notice the sizable increase in total ending stocks for the major wheat-exporting countries. The combination of Figure 3 and Figure 4 suggests that global wheat inventories are adequate, and the major wheat-exporting countries will have more wheat available if production problems occur in the 2026/27 marketing year. So, what does this mean for U.S. wheat prices?

The USDA is forecasting a 9% increase in U.S. wheat exports during the 2025/26 marketing year (see Figure 1). As of Jan. 22, 2026, actual U.S. All Wheat export sales were running 18% above last year’s levels, for the same time period. This suggests that U.S. wheat is currently competitively priced in the world market and that the USDA may increase its forecast for total export sales in future reports.

Even though total U.S. wheat export sales are higher than last year’s, U.S. spring wheat export sales are about 8.5% lower. One reason is record Canadian wheat production in 2025/26, which is about 11% above their previous record in 2024/25. Strong competition for spring wheat, a high-protein hard wheat, has lowered the price premiums for spring wheat relative to hard red winter wheat.

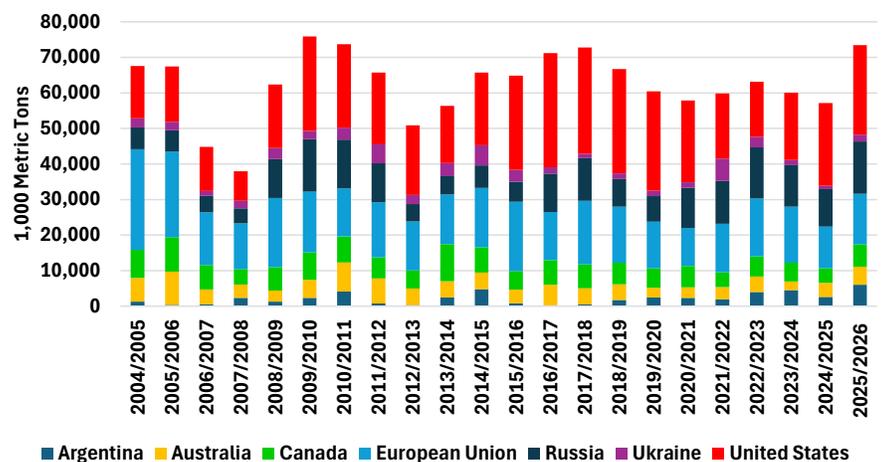
Unless there is a major weather or political issue impacting global wheat markets, U.S. wheat prices are expected to remain near current levels. In addition, the large supply of high-quality spring wheat will limit the premiums for spring wheat above the base hard winter wheat classes.

**Figure 3. Historical World Wheat Ending Stocks by Country**



USDA Jan. 12, 2026 World Agricultural Supply and USDA PSD (Production, Supply and Distribution) Database. ROW = Rest of World.

**Figure 4 - Historical Wheat Ending for the Top Seven Exporting Countries**



USDA Jan. 12, 2026 World Agricultural Supply and USDA PSD (Production, Supply and Distribution) Database.

# Cash or Grid Marketing of Home Raised and Finished Cattle?

Jon T. Biermacher, Extension Livestock Development Specialist

Over the past year or so, I have received a number of questions about whether it is more economical to market home-raised finished cattle on a cash-based or grid-based marketing strategy. To help shed additional economic light on this question, I used animal performance data collected on 248 steers in a 2024 finishing study conducted at North Dakota State University's Research Extension Center (CREC) in Carrington, North Dakota. The 248 steers used in the study represent a typical group of British-based steers produced on cow/calf operations common to North Dakota ranches.

On Dec. 26, 2023, the 248 backgrounded home-raised steers had an average beginning weight of 750 pounds per head and were placed into a typical grain-based finishing trial for 156 days. At the end of the trial on May 30, 2024, steers had a final average slaughter weight of 1,336 pounds per head and realized an average total gain of 582 pounds per head. During the feeding period, cattle consumed, on average, 11.50 pounds of feed per head per day and realized an average daily gain of 3.69 pounds per head. A detailed set of descriptive statistics for the animal performance data is reported in Table 1.

After the finishing period at the end of May, all cattle were transported to the Tyson Meats packing plant in Dakota City, Nebraska, where they were harvested, and yield and quality grades were measured and recorded. All cattle were sold on a price grid based on their yield and quality grades. Similar finishing projects have been conducted by researchers at

the CREC over the past 10 years, with all the cattle sold at the end of May each year directly to Tyson Meats using a grid pricing scheme. The longevity of the relationship between the CREC and Tyson Meats yielded CREC with 10 consecutive years (2016-2025) of grid-based prices and price premiums and discounts for quality, yield and other relevant cattle characteristics.

Table 2 reports the 10-year average price grid, including premiums and discounts for each yield/quality variable. The 10-year average price grid was used to calculate the expected gross revenue (i.e., price times hot carcass weight) and net return to land, labor and farm overhead (i.e., gross revenue minus total cost) on a dollar-per-head basis for each of the 244 steers finished in the 2024 finishing trial. Note that four out of the 248 steers did not have yield or quality grade data, so they were excluded from the analysis.

The expected gross revenue and net return (dollars per head) for the finished steers for the cash market-based scenario was calculated as the 10-year average cash slaughter steer price (dollars per pound) times the finished live weight (pounds per head). The final average live weight for the 248 steers was 1,336 pounds (Table 1). Based on the past prices, the 10-year average slaughter steer price was calculated to be \$148 per hundredweight, or \$1.48 per pound of live weight.

Continued on page 9.

**Table 1. Descriptive Statistics for Measures of Animal Performance**

Animal variable:	N	Mean	Std. Dev.	Minimum	Maximum
Beginning date on feed	248	26-Dec-2023	—	—	—
Beginning weight (lbs/hd)	248	754	71.1	513	974
Days on feed	248	156	0.0	156	156
Ending date on feed	248	30-May-2024	—	—	—
Ending weight (lbs/hd)	248	1,336	117.0	956	1,622
Average daily gain (ADG) (lbs/hd/d)	248	3.69	0.48	1.89	4.98
Daily dry matter feed intake (DMI) (lbs/hd/d)	248	11.50	0.94	8.83	13.03
Total gain on feed (lbs/hd)	248	582	79.9	295	835
Dressing percentage	248	0.63	0.02	0.57	0.72
Hot carcass weight (lbs/hd)	248	840	80.6	541	1,024

# Cash or Grid Marketing of Home Raised and Finished Cattle? – continued from page 8

The primary costs associated with the finished steers included feed (including operating capital for the feed), the operating capital associated with owning the steers during the 156-day feeding period and the cost of transportation to the packer. The cost of feed was calculated as the price (dollars per pound) of the grain-based ration times the average daily dry matter intake (pounds per head per day) times the number of days on feed. An interest rate of 7.5% APR was used to calculate interest costs for purchased feed and steer ownership during the feeding period. The cost of owning steers during the feeding period is based on the 10-year (2016-2025) average price of steers weighing 700-800 pounds per head for the last week of December (i.e., \$179.7 per hundredweight). All cattle prices used in the analysis were obtained from NDSU Extension's Plotting a Course publication ([www.ndsu.edu/agriculture/extension/publications/plotting-course-planning-prices-2026](http://www.ndsu.edu/agriculture/extension/publications/plotting-course-planning-prices-2026)). Transportation costs were calculated at \$3.30 per transport mile for a commercial cattle truck and trailer with 35 finished steers per load. It was assumed that steers sold on the grid and sold on a cash basis were delivered 465 miles to the Tyson Meats plant in Dakota City.

Continued on page 10.

**Table 2. Average Premiums and Discounts by Grid Price Category**

Grid Variables	Premium/Discount*	Number of Cattle**
Base price (\$/cwt of hcw)	238.57	244
CAB	6.00	48
Prime	21.71	13
Choice	5.54	210
Select	-6.68	20
NoRoll	-16.07	1
YG1	6.50	8
YG2	3.00	69
YG3 (base)	—	120
YG4	-8.14	38
YG5	-20.14	9
625/DN	-20.00	3
Average price (\$/cwt of hcw)	210.29	244

\* 10-year (2016-2025) average grid data collected at Tyson Meats, Dakota City, Nebraska

\*\* Four steers in the trial had missing data for yield or quality grades



# Cash or Grid Marketing of Home Raised and Finished Cattle? – continued from page 9

The economic results are reported in Table 3. On average, the costs of feed, interest on purchased feed, and cattle ownership and transportation totaled \$255 per head for both marketing scenarios (grid and cash). Note that the average total cost for all 248 steers, including transportation, was \$63,240 for the finishing operation, with \$10,912 of that cost attributed to interest expenses for owning the steers for the 156 days on feed.

Finished steers that sold on the grid realized, on average, \$696 per head in gross revenue and an average net return of \$441 per head. Conversely, steers marketed on a cash basis realized an average gross revenue of \$621 per head and a net return of \$366 per head. The \$75 per head difference in net return is solely due to the difference in the average price received between the two marketing scenarios (i.e., \$62 per hundredweight). The \$75-per-head advantage in grid pricing would equate to an average advantage of \$18,600 for the entire group of 248 finished steers.

The results of this analysis suggest that grid-based marketing has greater economic potential than the cash-based option for home-raised and finished slaughter steers, especially for producers who have invested in adopting high-quality genetics. Although the numbers presented here for both market scenarios are based on a 10-year average price, producers should make decisions about how to market their finished steers based on what a packer is offering for a cash price for slaughter steers and what they are offering in terms of base price, premiums and discounts for quality and yield grades for the coming market period.

Feel free to reach out with any questions at [jon.biermacher@ndsu.edu](mailto:jon.biermacher@ndsu.edu).

**Table 3. Average Costs, Revenues and Net Returns to Land, Labor and Overhead by Marketing Scenario**

<b>Economic Variable:</b>	<b>Grid</b>	<b>Cash</b>	<b>Difference</b>
Total feed cost (\$/hd)	164	164	-
Interest on feed (\$/hd)	5	5	-
Interest on steers (\$/hd)	44	44	-
Transportation cost (\$/hd)	41	41	-
Total cost (\$/hd)	255	255	-
Average price of 750-pound steer (\$/cwt)	179.7	179.7	-
Average finished steer price (\$/cwt)	210.3	148.2	62
Average gross revenue (\$/hd)	696	621	75
Average net return (\$/hd)	441	366	75

# The Fed Votes to Hold Rates Steady at January 2026 Meeting

Bryon J Parman, Associate Professor/Extension Agricultural Finance Specialist

Those hoping for the Federal Reserve to vote for another rate cut at the January 2026 meeting on Jan. 27 and 28 will have to wait, as the Federal Open Market Committee voted to hold rates steady. This comes after a series of meetings in September, October and December of 2025, during which the Fed cut rates a quarter of a percentage point, or 25 basis points, at each meeting. At present, the Fed's target rate is 3.5%-3.75%.

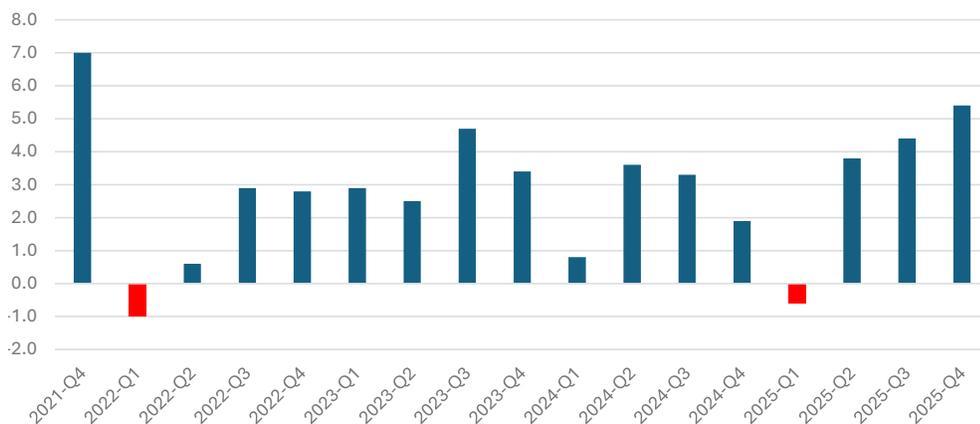
Concerns regarding interest rates include the uptick in unemployment across the U.S. over the last few quarters and the potential for a slowdown in U.S. gross domestic product (GDP) growth. The concern with low or negative GDP growth was especially pronounced earlier in 2025 as fears mounted about the impact of tariffs. However, while GDP growth was -0.6% in the first quarter of 2025, GDP growth in Q2 was a healthy 3.8%. In Q3, growth increased further to 4.4%, the highest since Q3 of 2023.

At the time of this writing, official Q4 GDP growth numbers have not yet been published; however, the Federal Reserve Bank of Atlanta is projecting a seasonally adjusted Q4 GDP growth rate of 5.4%, which would be the highest quarter since the COVID pandemic recovery period of 2020-2021.

Another major concern for the Fed is the unemployment rate. While the Fed does have a mandate to keep inflation numbers low, it also has a mandate to maintain as close to full employment as possible. While 0% unemployment is virtually impossible due to the nature of labor markets, the Fed has an unemployment target of the natural rate or below, which is estimated to be around 5%. Other than the pandemic period from Q1 of 2020 through Q3 of 2021, U.S. unemployment has remained below the natural

Continued on page 12.

**Figure 1: Quarterly Real GDP Percentage Change from Previous Period**



Note: Q4 - 2025 is the unofficial projection from the Federal Reserve Bank of Atlanta and is subject to revision.

Data from the U.S. Bureau of Labor Statistics



# The Fed Votes to Hold Rates Steady at January 2026 Meeting

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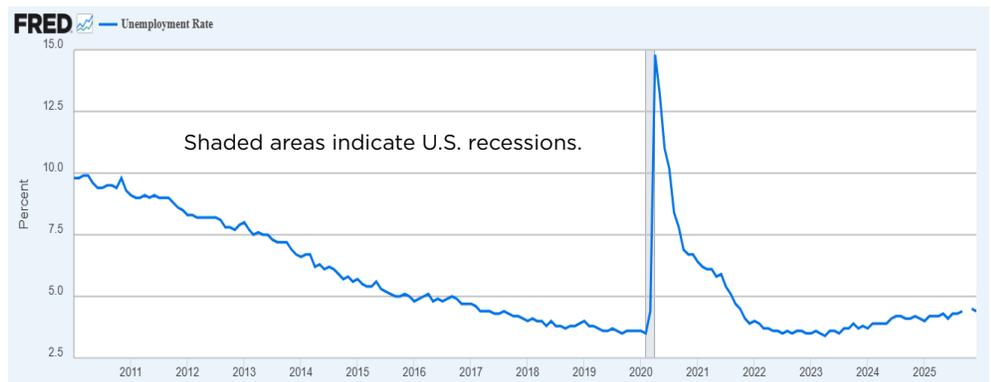
rate of unemployment since 2017. Some concerns began to mount in 2025, with trade uncertainty and unemployment climbing to 4.5% in November last year. The December unemployment figure dropped 0.1% to 4.4% which is around where it has been for the last six quarters.

Finally, while many of the Fed's actions have helped tamp down the high inflation rates experienced from mid-2021 to mid-2023, it has yet to hit the target rate of 2%. Indeed, inflation is well below the high-water mark seen in June 2022, with an annualized inflation of 9%, the highest since the 1980s. However, headline (overall) inflation stubbornly remains between 2.5% and 3% with core inflation (inflation minus food and energy) staying just as sticky. The most recent data from December 2025 had a headline inflation rate of 2.7% and a core inflation rate of 2.6%.

Based on the current data, comments from the Fed and the expectations of market participants, it appears that a rate cut is unlikely in Q1 of this year. Approximately 40% of market

participants expect rates to hold steady through the first two quarters of 2026. However, this can all change rather quickly should inflation begin moving, unemployment rates change remarkably or GDP growth appear to slow. It should also be noted that the current Fed chair, Jerome Powell, will see his term end on May 15, and a new one will be appointed. This undoubtedly creates additional uncertainty right now on future monetary policy and the direction the Fed will take through the second half of the year.

**Figure 2: U.S. Seasonally Adjusted Unemployment 2010-2025**



Source: U.S. Bureau of Labor Statistics via FRED

fred.stlouisfed.org

**Figure 3: 10-Year Monthly Annualized Inflation Rate**



Source: U.S. Bureau of Labor Statistics via FRED

fred.stlouisfed.org