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Agriculture By the Numbers

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Editor: Bryon Parman
Associate Professor/Agricultural Finance Specialist

701-231-8248
bryon.parman@ndsu.edu

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North Dakota State University
Fargo, North Dakota

Comparing Net Farm Incomes and Farm Financial Ratios for Red River Valley Versus Non-Red River Valley Farms

Bryon Parman, Associate Professor/Ag. Finance Specialist

The North Dakota Farm Management Education Program has finished the closeouts for the 2025 growing year. The North Dakota Farm Management Program helps farmers and ranchers improve the financial and business side of their operations by providing hands-on education and one-on-one support.

North Dakota Farm Management Education is a program that works directly with producers to set goals, keep detailed financial and production records and analyze how their farm is performing. Instructors guide farmers through budgeting, planning and decision-making using their own farm data, helping them understand costs, profitability and long-term sustainability. By comparing their operation to similar farms and using real-world benchmarks, farmers gain insight into strengths and areas for improvement, allowing them to make more informed, data-driven decisions to increase efficiency and profitability.

Their website can be reached at https://ndfarmmanagement.com/.

Figure 1 shows that, statewide, net farm incomes for 2025 were slightly higher than in 2024 or 2023. It also shows two separate quintiles: the bottom and top 20%, and the middle 60%. Much of the improvement in net farm incomes comes from the bottom 20% reducing the losses by nearly $79,000 and the middle 60% increasing net farm income by $48,000. The top 20% also increased their income by $23,000. While this is significantly lower than the high-income years in 2021 and 2022, net incomes are significantly higher than they were from 2016 to 2019. However, a lot of information is lost or unexplained when looking only at a state average. North Dakota is an agriculturally diverse state with respect to crops vs. livestock production, as well as crop types and regional soil/climate differences.

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Comparing Net Farm Incomes and Farm Financial Ratios for Red River Valley Versus Non-Red River Valley Farms

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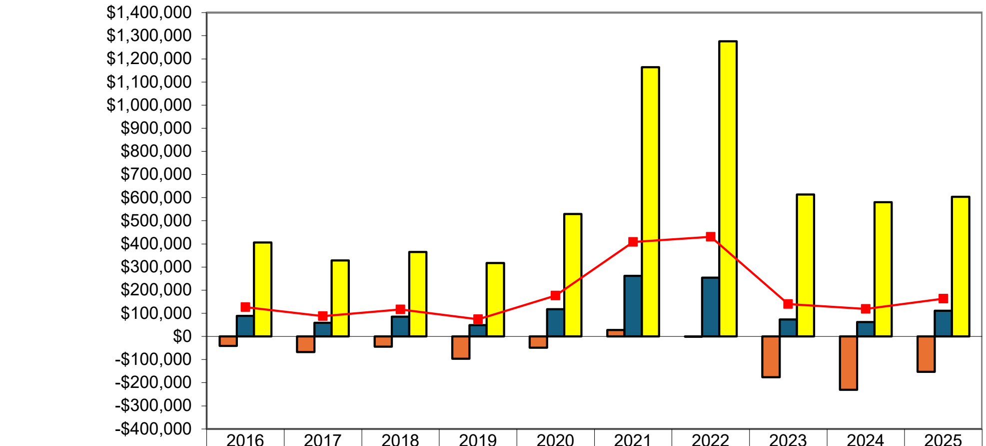
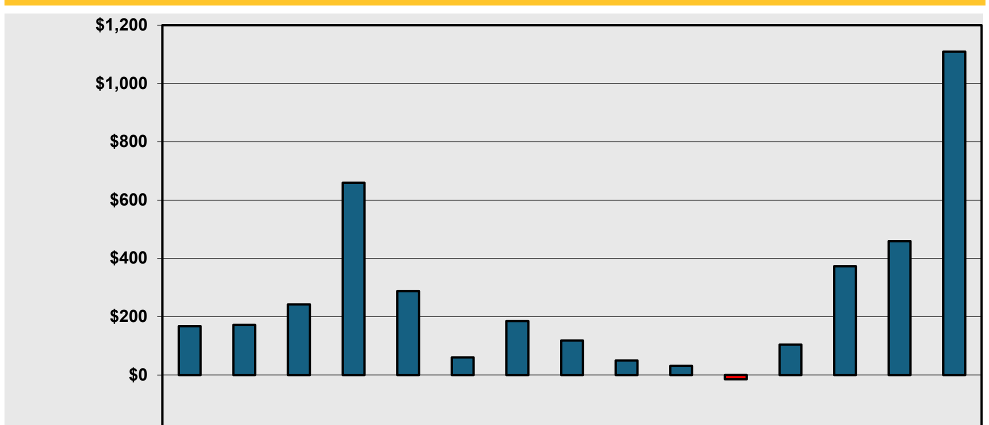
Indeed, there are some stark contrasts in enterprise profitability compared to last year, as well as regional differences. Perhaps the largest difference is the difference in net income from crop and beef farms. Average net farm income in North Dakota in 2025 was $147,928. However, when the data is sorted by farm type, we can see just how much high livestock prices have helped beef cattle producers in North Dakota compared to crop farmers. Average net farm income for crop-only farmers in North Dakota was $128,497 compared to $253,561 for beef cattle-only producers. Additionally, farms that produce crop and beef combined also had much higher-than-average incomes at $206,001. Figure 2 shows the average net return per beef cow for cattle producers across North Dakota, where 2025 returns were significantly higher than the previous record set in 2014.

Figure 1: North Dakota Net Farm Income Averages with the Top and Bottom 20% and the Middle 60% with respect to Net Farm Income



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
20% Low Profit	-41,364	-68,031	-43,700	-96,157	-48,488	27,671	-1,409	-176,257	-231,147	-152,674
Middle 60% Profit	88,621	59,071	85,076	48,615	118,208	262,188	253,784	73,462	62,773	111,034
20% High Profit	406,621	328,621	365,638	317,478	529,298	1,163,679	1,275,659	613,924	580,329	603,518
Average All Farms	126,752	88,026	116,227	74,100	176,038	408,835	430,678	139,574	118,688	163,455

Figure 2: North Dakota Average Net Return per Beef Cow 2011-2025



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Avg. Net Return	167.31	171.70	241.87	659.23	287.66	60.06	184.58	118.07	49.68	31.45	-14.71	104.41	373.20	459.00	1109.0

2025 was also highly profitable for other beef cattle production enterprises, including backgrounding. The North Dakota Farm Management Education Program bifurcates backgrounding operations into either an integrated cow-calf operation with backgrounding enterprise or a stand-alone backgrounding enterprise. Stand-alone backgrounding did very well in 2025, averaging a net return of $387 per head while putting on 189 lbs. Net returns for integrated cow-calf with backgrounding were also highly profitable, averaging $1,063 per cow profit.

There was also a large difference between farms in the Red River Valley (RRV) regions vs. the non-Red River Valley regions (the RRV regional average includes both Minnesota and North Dakota Farms). Average net farm income in the RRV was approximately $81,000 in 2025. This is less than half of what non-RRV farms averaged for net income, whereas the average of non-RRV farms in North Dakota averaged approximately $166,000. While the RRV did appear to have a bigger loss on spring wheat than non-RRV farms — and essentially broke even on canola, where non-RRV farms made a profit — the RRV did do better on corn, showing a much smaller loss than farms outside the RRV in North Dakota. The big difference came from sugarbeets, where, with or without joint ventures, sugar beets

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Comparing Net Farm Incomes and Farm Financial Ratios for Red River Valley Versus Non-Red River Valley Farms

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on rented land lost an average of -$395 to -$430 per acre, with some losses reportedly closer to -$700 per acre.

When using the Farm Financial Standards Council's scorecard and plugging in the ratios for RRV vs. non-RRV, we can do a side-by-side comparison of overall performance. The FFSC identifies 17 key financial ratios or percentages that measure financial performance. It also includes a color code: red is very concerning, yellow is middling and green is good or least concerning. Figure 3 shows the comparison of the RRV vs. the non-RRV farms in the dataset.

What stands out the most is the number of ratios in the red. Especially the total debt coverage ratio being below 1%, indicating that incomes were insufficient to cover long- and short-term debt payments. Given such low and negative income levels, it is also not surprising that the rates of return on assets and equity in the RRV are extremely low or negative. Indeed, non-RRV rates of return on assets and equity are also very low and, in most years, will remain low due to high land and equipment values relative to income. Also, the non-RRV farms include cattle producers who did very well in 2025, further widening the gap between RRV and non-RRV incomes. However, this year in particular, crop farmers across North Dakota, as well as livestock farmers, had notably better 2025 results outside the RRV than those in the RRV on both the Minnesota and North Dakota sides of the border.

Figure 3: Red River Valley vs. Non-Red River Valley Farm Financial Scorecard 2025

	RR Valley	Non Valley
Current Ratio	1.6	1.88
Working Capital to Gross Revenue	29.8%	46.3%
Working Capital to Operating Expense	35.9%	64.5%
Debt-to-Asset Ratio	43%	34%
Equity-to-Asset Ratio	57%	51%
Debt-to-Equity Ratio	0.74	0.71
Rate of Return on Farm Assets	1.3%	4.2%
Rate of Return on Farm Equity	-1.5%%	3.5%
Operating Profit Margin	3.7%	13.1%
Asset-Turnover Rate	33.6%	31.9%
(Total) Debt Coverage Ratio	0.75	1.6
Replacement Margin Coverage Ratio	0.57	1.13
Term Debt	0.7	1.8
Operating Expense Ratio	83.1%	71.8%
Depreciation Expense Ratio	7.3%	8.4%
Interest Expense Ratio	6.2%	6.3%
Net Farm Income Ratio	3.4%	14.3%

Trends in Sheep Inventory Over Time

Jon T. Biermacher, Ph.D., Extension Livestock Development Specialist

The sheep industry across North Dakota and the nation has undergone significant changes over the past several years. In this article, I provide some insights into two key areas of change and their potential implications for the sheep industry: the inventory of sheep on farms and the total number of operations with sheep for alternative gross cash income categories.

The inventories of sheep on farms by state, region and nation for 1970 and 2026 are reported in Table 1. The table includes inventory for North Dakota and five neighboring states (Minnesota, Montana, Wyoming, Nebraska and South Dakota) as well as the four states that had the greatest inventory of sheep on farms in 1970 (Texas, California, Colorado and Utah), the 10-state region, the total inventory for the 40 other states and the national total. Total inventory of sheep includes all ewes, rams and lambs held back for replacements, as well as lambs being made available for market. Data for sheep inventory were obtained from the USDA's National Agricultural Statistics Service's Quick Stats database (quickstats.nass.usda.gov).

The U.S. had approximately 20.4 million sheep on farms across all 50 states in 1970, and by January of 2026, the industry realized a 76% reduction (15.5 million) in total national inventory. During this period, several top-producing sheep states recorded larger reductions in inventory compared to the nation as a whole, including Texas (-81%), Wyoming (-85%), Montana (-84%) and North Dakota (-86%). Further, in 1970, the 10-state region accounted for 63% of the national inventory of sheep on farms, and by 2026, the region's share of the national sheep inventory had declined to 57%.

In 1970, North Dakota had 377,000 sheep, accounting for 3% of the region's total inventory and 2% of the nation's inventory. In comparison, South Dakota had three times as many sheep as North Dakota but realized a similar reduction during the 56-year period. Much of this difference is due to South Dakota having approximately 60% more native-range pasture than North Dakota, which is conducive to the typical sheep operations found in many states during the time. In 1970, Texas

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Table 1. Total number and percentage changes of sheep on farms by state, region, nation and year (1,000 head)

State/Region	1970	Percent, Regional Total	Percent, National Total	2026	Percent, Regional Total	Percent, National Total	Change (1970-2026)	Percent Change (1970-2026)
Texas	3,708	29%	18%	700	25%	14%	-3,008	-81%
Wyoming	1,883	15%	9%	280	10%	6%	-1,603	-85%
California	1,317	10%	6%	505	18%	10%	-812	-62%
Colorado	1,303	10%	6%	410	15%	8%	-893	-69%
South Dakota	1,207	9%	6%	210	7%	4%	-997	-83%
Montana	1,113	9%	5%	180	6%	4%	-933	-84%
Utah	1,053	8%	5%	275	10%	6%	-778	-74%
Minnesota	554	4%	3%	109	4%	2%	-445	-80%
North Dakota	420	3%	2%	58	2%	1%	-362	-86%
Nebraska	377	3%	2%	74	3%	1%	-303	-80%
10-state Region	12,935	100%	63%	2,801	100%	57%	-10,134	-78%
All Other States	7,488	—	37%	2,136	—	43%	-5,352	-71%
Nation	20,423	—	100%	4,937	—	100%	-15,486	-76%

Source: quickstats.nass.usda.gov

Trends in Sheep Inventory Over Time

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maintained the largest sheep inventory with 3.7 million head, roughly double that of California's inventory of 1.32 million. During the same period, the 40 other states combined realized slightly better reductions in inventory than the region and the nation, recording a 71% loss compared to the region's 78%.

NASS does not track different size categories of operations in terms of average number of head per operation like they do beef and dairy cattle, but they do report size of sheep operations in terms of different cash farm income categories. However, they only started collecting this data in the 2012 Census of Agriculture, providing us with the past 10 years (2012-2022), which has been reported in Table 2 for each state and region for eight cash farm income categories, including the smallest (less than $1,000 per year; as "<1K") and the largest (greater than $1 million as ">1M"). Also, due to limited space, I reduced the number of individual states from ten to 6 and added the data from the other four states reported in Table 1 to the "All other" category.

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Table 2. Inventory of Sheep Operations by State, Region, Year and Income Category

Year = 2012

Income Category	MN	MT	NE	ND	SD	TX	Region	All Other	Nation
<1K	264	160	238	60	141	4,023	4,886	22,373	27,259
1K_10K	779	360	427	152	367	4,161	6,246	26,494	32,740
10K_50K	513	314	305	169	431	1,608	3,340	12,664	16,004
50K_100K	190	127	158	82	256	385	1,198	3,060	4,258
100K_250K	166	162	177	74	270	304	1,153	2,620	3,773
250K_500K	96	113	71	69	195	100	644	1,352	1,996
500K_1M	107	58	50	33	96	56	400	898	1,298
>1M	56	44	38	22	42	37	239	771	1,010
Total Operations	2,171	1,338	1,464	661	1,798	10,674	18,106	70,232	88,338

Year = 2022

Income Category	MN	MT	NE	ND	SD	TX	Region	All Other	Nation
<1K	404	146	149	37	98	4,195	5,029	20,685	25,714
1K_10K	761	334	324	114	308	5,426	7,267	28,350	35,617
10K_50K	458	213	182	113	253	1,699	2,918	12,755	15,673
50K_100K	133	101	74	69	110	495	982	2,988	3,970
100K_250K	133	125	83	46	155	295	837	2,440	3,277
250K_500K	98	99	66	44	133	111	551	1,336	1,887
500K_1M	81	55	28	37	115	66	382	893	1,275
>1M	69	45	47	22	61	57	301	1,139	1,440
Total Operations	2,137	1,118	953	482	1,233	12,344	18,267	70,586	88,853

Percentage Change Between 2012 and 2022

Income Category	MN	MT	NE	ND	SD	TX	Region	All Other	Nation
<1K	53%	-9%	-37%	-38%	-30%	4%	3%	-8%	-6%
1K_10K	-2%	-7%	-24%	-25%	-16%	30%	16%	7%	9%
10K_50K	-11%	-32%	-40%	-33%	-41%	6%	-13%	1%	-2%
50K_100K	-30%	-20%	-53%	-16%	-57%	29%	-18%	-2%	-7%
100K_250K	-20%	-23%	-53%	-38%	-43%	-3%	-27%	-7%	-13%
250K_500K	2%	-12%	-7%	-36%	-32%	11%	-14%	-1%	-5%
500K_1M	-24%	-5%	-44%	12%	20%	18%	-5%	-1%	-2%
>1M	23%	2%	24%	0%	45%	54%	26%	48%	43%
Total Operations	-9%	-107%	-235%	-174%	-154%	149%	-32%	37%	16%

Trends in Sheep Inventory Over Time

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In 2012, 86% of all sheep operations in the nation (88,383 operations) were contained collectively within the three smallest income categories, totaling less than $50,000 per year (<1K, 1K-10K and 10K-50K categories). Over the 10-year period, the 1K-10K category realized a 9% increase in total sheep operations (2,877 operations). Further, the >1M category realized the greatest increase (43%) in sheep operations over the study period. Conversely, sheep operations in the 100K-250K category declined by 13%. The three categories that represent the midsized operations (50K-100K, 100K-250K and 250K-500K) realized a collective 25% reduction in total sheep operations. Overall, the data suggests that the number of smaller and larger operations has been increasing, while the midsized operations have been declining. This trend is similar to what has been observed in the cow-calf industry over the same period.

North Dakota, the smallest sheep-producing state in the northern Great Plains, observed the loss of 663 sheep operations, a decline of 174% over the 10-year period. Similar declines were observed for North Dakota's neighbors, except for Minnesota, which only realized a 9% decline. Moreover, North Dakota realized declines in total operations within all categories except the 500K-1M category, which realized a 12% increase, adding four operations.

Texas, the largest sheep state, observed a 149% increase in sheep operations with the increase captured collectively in all categories except the 100K-250K category. The largest categorical increase of 54% (adding 20 operations) was realized within the >1M category; however, a collective increase of 69% was observed within the income categories for those bringing in less than $100,000 (<1K, 1K-10K, 10K-50K and 50K-100K). In Minnesota, the results are essentially bimodal between categories. That is, the single smallest category (<1K) realized a 53% increase in the number of operations, while the single largest category (>1M) realized a 23% increase. All other income classes realized similar reductions operations, except the 250K-500K category realized a modest 2% increase.

Overall, the sheep industry has realized a substantial reduction (76%) in the inventory of sheep on farms across all states, while essentially maintaining the total number of sheep operations. Also, the distribution of these operations has changed such that there are more sheep produced on many more small farms and a few more very large farms.

Through this analysis, we have observed, and will likely continue to observe, permanent exits of medium-sized sheep operations with larger operations growing in scale. Smaller flocks of sheep offer those who have smaller land holdings interested in animal agriculture an economical alternative to cow-calf operations that require significantly greater acreages of grass and forages. This category of producer will likely continue to expand sheep production, especially those living close to urban centers that have a large population of consumers that prefer lamb and mutton in their diets.

Reach out with any questions at jon.biermacher@ndsu.edu.

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U.S. Beef Cow Inventory Declines Cyclically While Canada's Increases

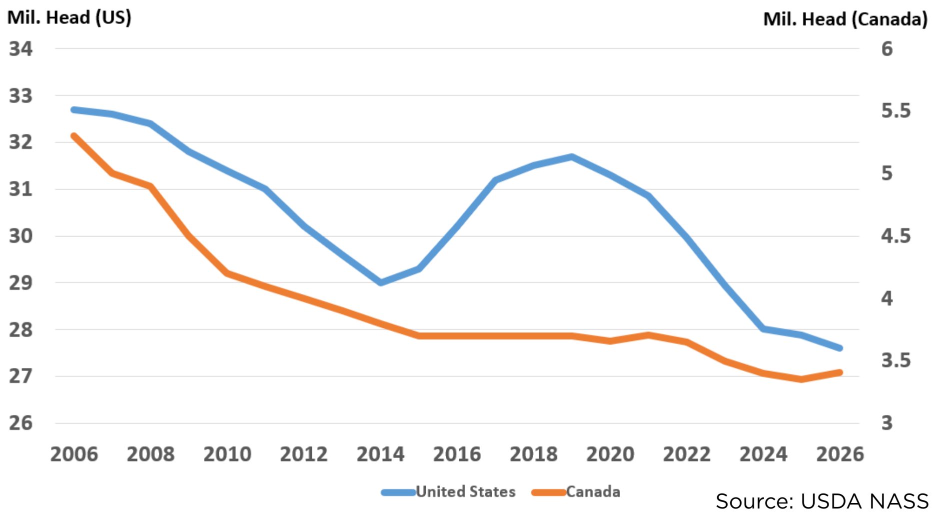
Tim Petry, Extension Livestock Marketing Specialist

The USDA-National Agricultural Statistics Service released the annual United States and Canadian Cattle inventory report on March 4, 2026. It is available at https://usda.library.cornell.edu/concern/publications/474299142.

Given North Dakota's proximity to Canada, it is interesting to compare beef cow numbers between the two countries, which were reported as of Jan. 1, 2026.

U.S. beef cows on Jan. 1, 2026, at 27.6 million head, were down 284,800 or 1% from the 27.9 million on Jan. 1, 2025. Last year marked the seventh straight year of cyclical liquidation in the U.S. beef cow herd. Numbers peaked on Jan. 1, 2019, at 31.6 million head, so the seven-year decline was about four million head (12.8%).

Beef Cow Inventory — January 1, United States and Canada, Annual



Source: USDA NASS

A number of factors contributed to the cyclical decline in U.S. beef cow numbers. Cattle prices declined cyclically from 2015 until bottoming in 2020. Certainly, drought conditions that began in 2020 in important cow-calf regions and have persisted at moderate to severe levels since have been the primary reason for forced beef cow liquidation.

Also, fewer U.S. beef replacement heifers entered the herd, and beef cow slaughter rose to historically high levels in 2022. Narrow cow-calf profit margins also contributed to the liquidation.

Other factors contributing to the lack of beef cow herd rebuilding include rising production costs, labor shortages, market price uncertainty, current record-high replacement heifer prices and the abrupt price decline after the last cyclical price high in 2014-2015.

U.S. beef cow numbers actually peaked in 1975 and have been declining cyclically ever since, with each cyclical high lower than the previous high.

However, U.S. beef production has continued to increase, reaching a record high in 2022 at 28.4 billion pounds, bolstered by high beef cow slaughter. Beef production in 1975 was 23.7 billion pounds and is forecast to be almost 26 billion pounds in 2026.

Fed steer and heifer carcass weights have increased an average of 4 pounds per year for 50 years and have averaged about 20 pounds higher year over year in 2024, 2025, and so far in 2026.

So, that likely means that when herd expansion does occur, numbers will again not return to the last cyclical high of 31.6 million head in 2019.

Record-high cattle prices do encourage beef herd expansion.

Canadian beef cows on Jan. 1, 2026, at 3.41 million head, were up 64,900 head, or 2% from nearly 3.35 million on Jan. 1, 2025. That signals potential interest in rebuilding the beef herd when forage conditions favor it.

The Canadian beef cow herd recorded an all-time record high in 2005 at 5.43 million head.

Canada's beef cow numbers have generally declined since 2005 for many of the same reasons that the U.S. herd has been declining cyclically.

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U.S. Beef Cow Inventory Declines Cyclically While Canada's Increases — continued from page 7

Canada's beef cow herd is smaller than in the U.S. Texas alone had over 4.04 million beef cows in Jan. 2026 compared to Canada's 3.41 million. North Dakota's beef cow herd was 891,000 head compared to neighboring Manitoba with 372,000, Saskatchewan with 965,000 and Alberta with 1,520,000.

Canadian beef cow numbers increased in all provinces in 2025. Alberta increased cow numbers by 32,700 head, followed by Saskatchewan adding 14,000, British Columbia adding 7,200 and Manitoba adding 5,100.

U.S. beef cow changes along the U.S.-Canadian border in 2025 included North Dakota increasing 21,000 head, followed by Minnesota up 15,000 head, Washington adding 10,000 and Idaho adding 5,000. Drought-stricken Montana recorded a 20,000-head decline.

North Dakota led the nation in expansion in 2025, following a 10,000-head increase during 2024.

Beef replacement heifers on Jan. 1 in the U.S. were 4.71 million head, up 1% from 4.67 million in 2025. Beef replacement heifers on Jan. 1 in Canada at 543,000 were up 4.6% from 519,000 in 2025.

The increase in beef replacement heifers in both countries signals interest in rebuilding beef herds when forage conditions favor it.

Dry conditions do exist in many of the Central and Western U.S. cattle-producing states and parts of the Canadian cattle-producing provinces, so timely spring rains will certainly be welcome.

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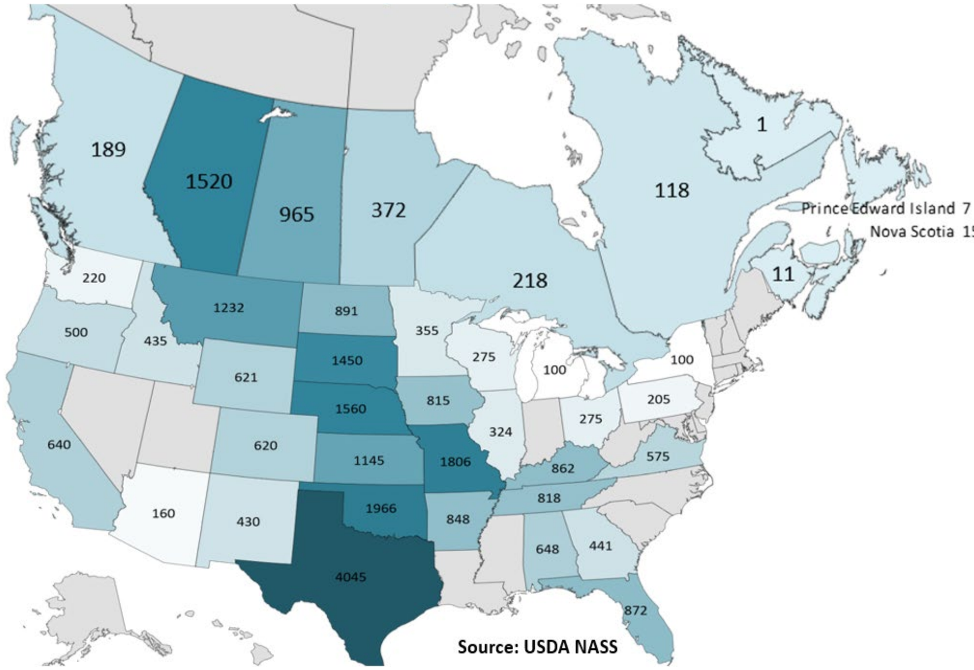
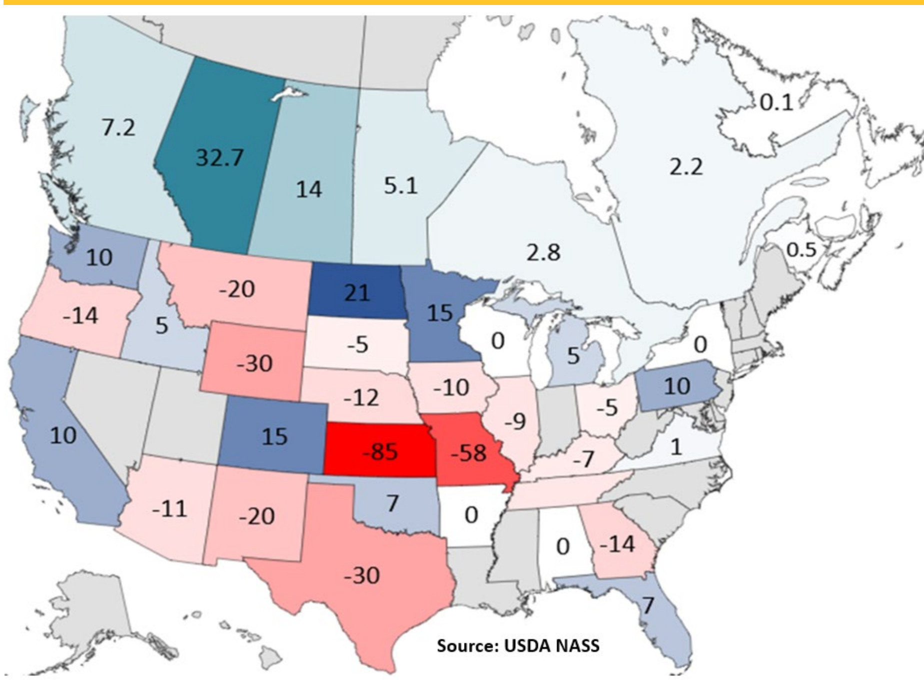
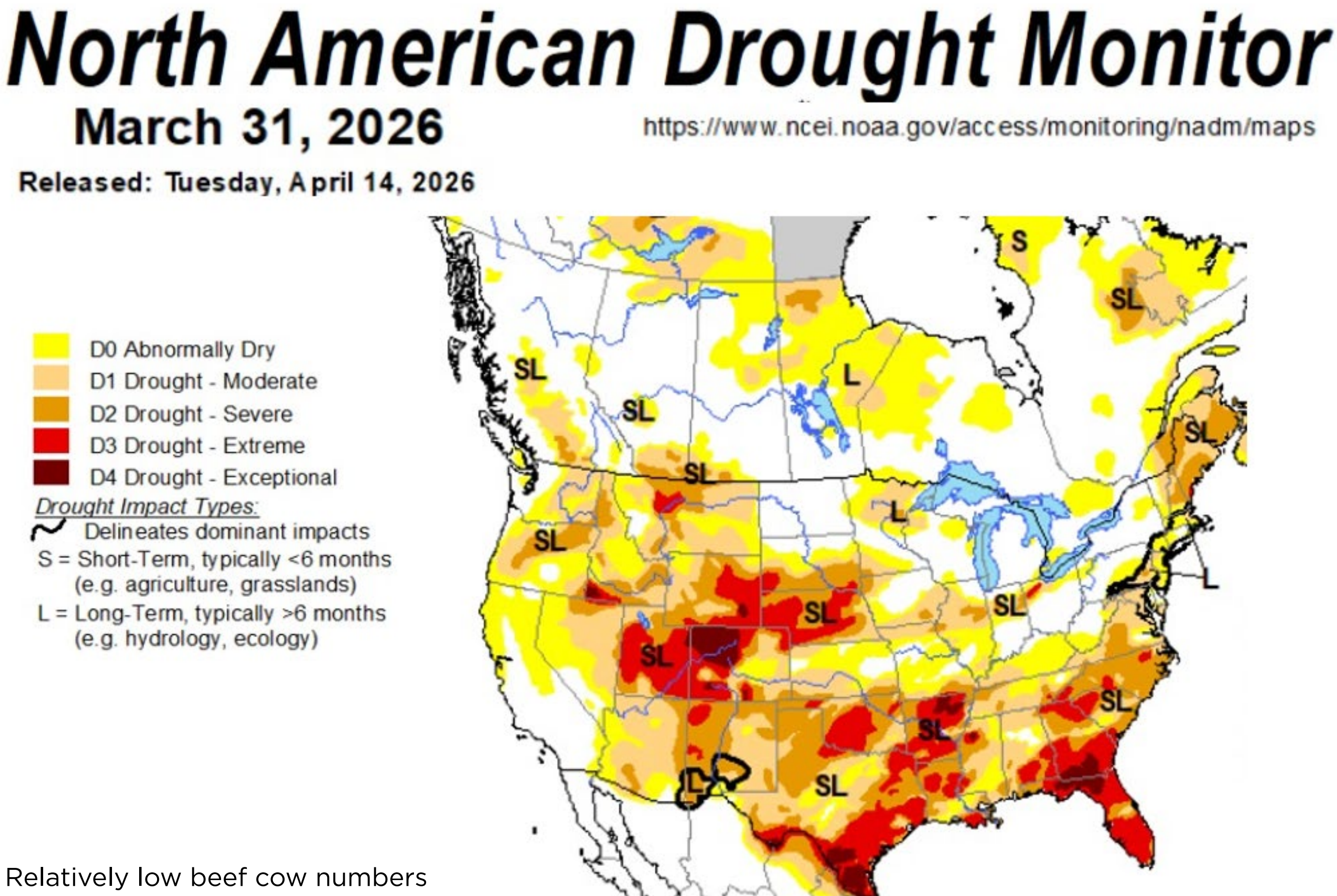
U.S. and Canadian Beef Cow Inventory — January 1, 2026 (000) Head



Change in U.S. and Canadian Beef Cow Inventory — January 1, 2025 to 2026 (000) Head



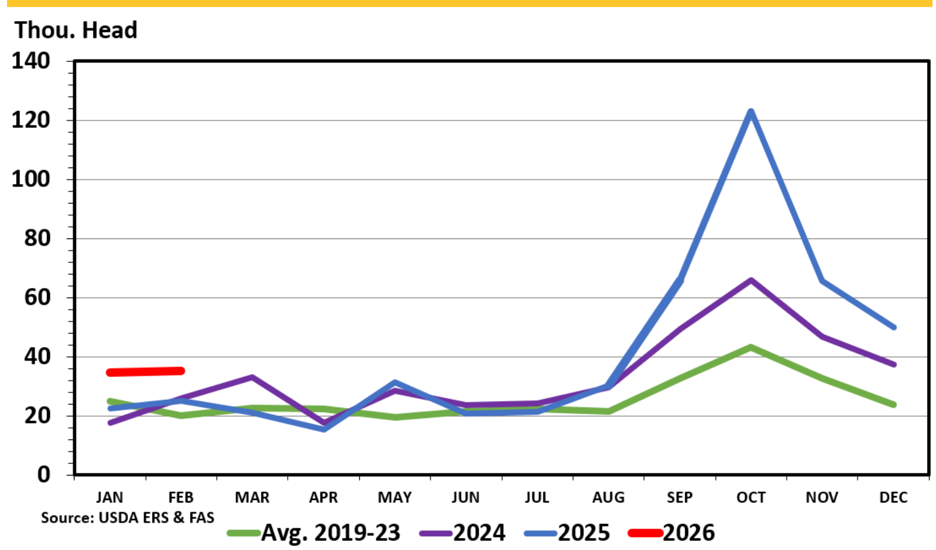


Relatively low beef cow numbers in both countries are supporting record-high cattle prices. Feeder cattle prices in both countries are also buoyed by low feed prices.

The record-high 17 billion-bushel corn crop in 2025 in the U.S. was supportive to prices. Correspondingly, a very good feed barley crop in the cattle-feeding region of Western Canada supported feeder cattle prices there and led to increased imports of U.S. feeder cattle.

Typically, about 40,000 head of northern Great Plains calves are purchased by Canadian feedlots in October, but in 2025, over 120,000 head went north. That supported U.S. calf prices along with good fall southern Great Plains winter wheat grazing conditions and Corn Belt feedlot demand.

U.S. Feeder Cattle Exports to Canada — Monthly



Source: USDA ERS & FAS

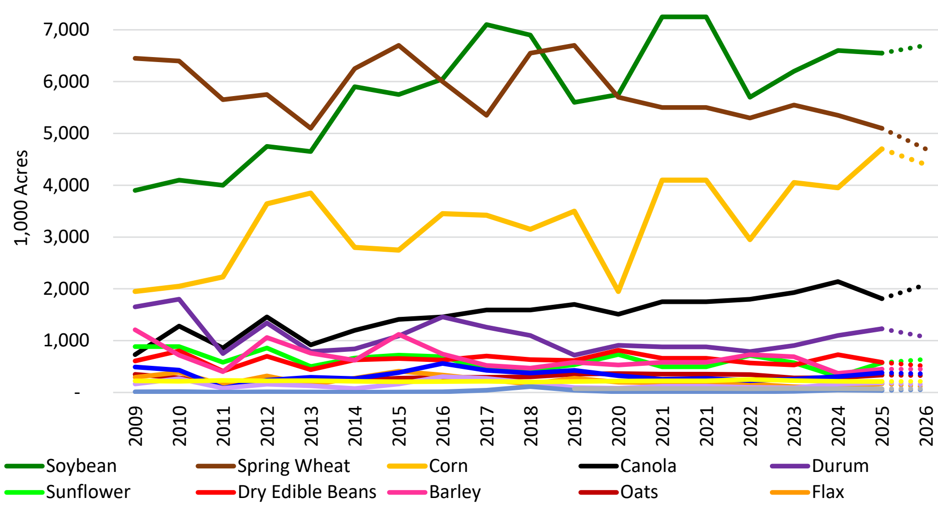
Analyzing the 2026 USDA Prospective Plantings Report for North Dakota

Frayne Olson, Crop Economist/Marketing Specialist

On March 31, 2026, the USDA released the Prospective Plantings report. This report summarizes survey results from 73,832 farm managers across the U.S. in which the USDA asked each farmer how many acres of various crops they intended to plant in 2026.

The Prospective Plantings report also provides a state-by-state breakdown for each crop. Figure 1 shows the historical planted acres for the major crops in North Dakota. The dashed line segment on the right of each line represents the estimated plantings for 2026.

Figure 1 – Historical Planted Acres by Crop for North Dakota



USDA Quick Stats and Mar. 31, 2026 Prospective Plantings

Based upon the survey of 3,195 North Dakota farmers, soybean plantings in the state are expected to increase 150,000 acres to total 6.7 million acres. Spring wheat seedings are projected to drop 400,000 acres to total 4.7 million acres, and corn plantings are predicted to decrease 300,000 acres to total 4.4 million acres. Canola acreage is expected to increase 270,000 to total just under 2.1 million acres.

The Prospective Plantings survey was conducted during the first two weeks of March. On Feb. 28, 2026, the U.S. attacked military infrastructure in Iran. As a result of this conflict, crude oil, gasoline, diesel fuel, natural gas and fertilizer prices have increased substantially. Many farm managers, agricultural business leaders, market analysts and agricultural lenders are questioning the accuracy of the Prospective Planting report results. They are asking whether farm managers will change their planting intentions due to higher fertilizer and energy costs.

One view is that corn and wheat acres will drop and soybean acres will increase at the national level because corn and wheat require more nitrogen fertilizer than soybeans. Nitrogen fertilizer prices have increased the most rapidly since the Iran war began.

A counterpoint is that there will not be significant adjustments to planting intentions and that farmers purchased a majority of their total nitrogen fertilizer needs before the price increases. In addition, there is still the risk that trade tensions between the U.S. and China will remain strained. U.S. soybean exports to China may remain very low during the 2026/27 marketing year, further pressuring soybean prices.

Weather and soil moisture conditions can also impact planted acres. Fortunately, weather conditions across the main corn- and soybean-growing regions have been favorable and are unlikely to impact planting intentions. The April 27, 2026, USDA Crop Progress report estimates U.S. corn planting to be 25% complete, compared to the five-year average of 19% and last year's planting progress at 22%. U.S. soybean plantings are projected to be 23% completed, compared to the five-year average of 12% and last year's progress at 17%. In contrast, spring wheat planting is estimated to be 19%, compared to the five-year average of 22% and last year's progress at 28%.

Unfortunately, there will not be an update on planted acreage until the USDA conducts a follow-up farmer survey in June and publishes the Acreage report on June 30, 2026. Until then, the debate will continue over planted acreage and the potential impacts on market prices.

Summer Calf Grazing Outlook

Tim Petry, Extension Livestock Marketing Specialist

Feeder cattle market prices and futures market prices are near record high but volatile. Does summer grazing of calves have potential?

The U.S. Drought Monitor (https://droughtmonitor.unl.edu) indicates that North Dakota is currently drought-free. However, there are indications of dry conditions, especially in parts of western North Dakota. Drought conditions are not far away either — just across the Montana and South Dakota borders.

Depending on where you live, will there be enough forage to support a summer calf grazing program?

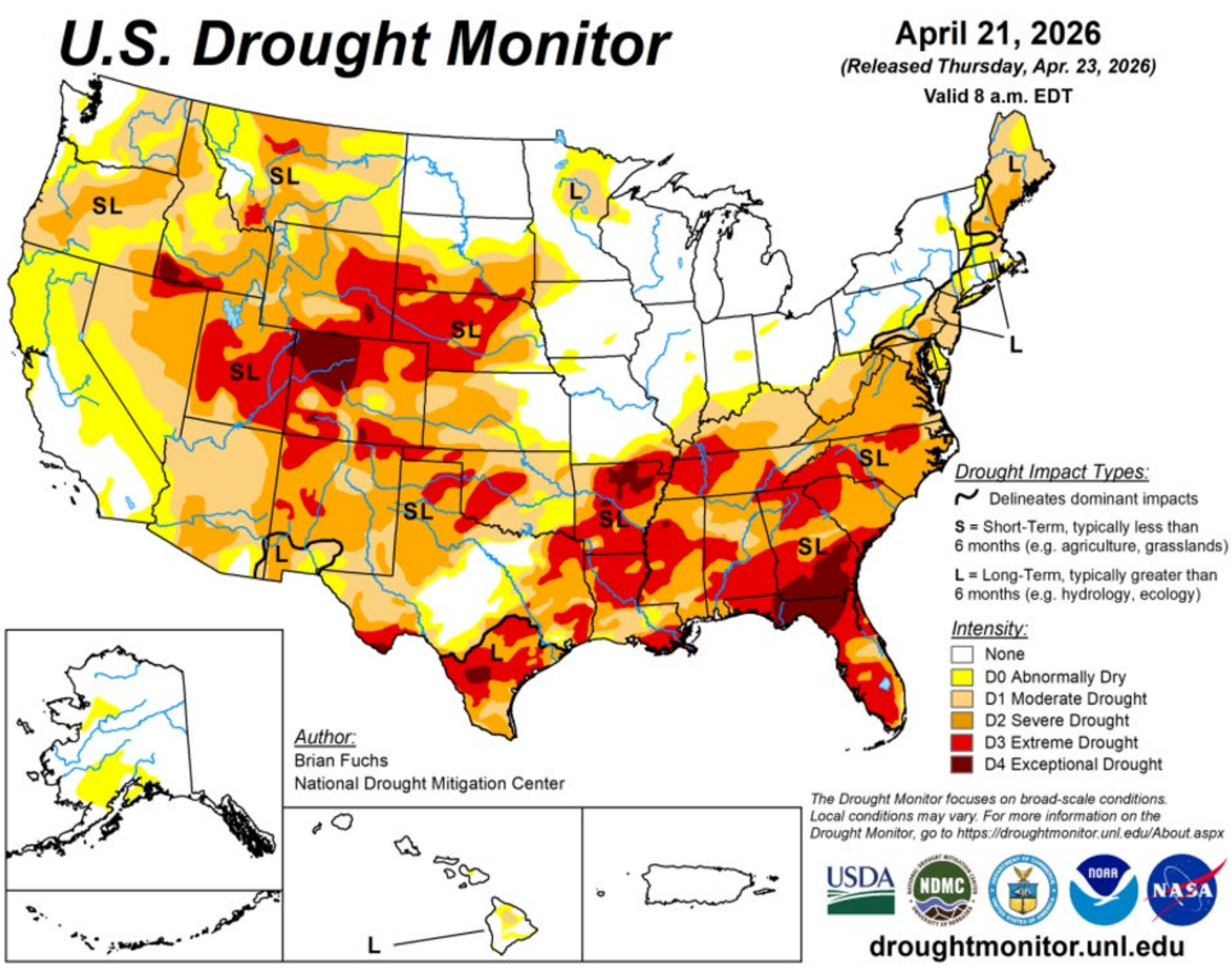
North Dakota led the nation in beef cow expansion during 2025, where beef cow numbers increased 21,000 head following a 10,000-head increase during 2024. On Jan. 1, 2026, there were 891,000 beef cows in North Dakota, but that is below 2020's 995,000 head. So, if good moisture conditions continue, there may be pasture available for summer grazing programs

Given current U.S. beef cow numbers, calf supplies and relative prices between steer and heifer calves, summer grazing of heifers may have more profit potential than grazing steer calves, and grazing heifers for beef cow replacement purposes may have the most potential.

U.S. beef cow numbers on Jan. 1, 2026, were at 27.6 million head, down 284,800 (1%) from 27.9 million on Jan. 1, 2025. Last year marked the seventh straight year of cyclical liquidation in the U.S. beef cow herd. Numbers peaked on Jan. 1, 2019, at 31.64 million head, so the seven-year decline was about 4 million head (12.8%).

All market classes of cattle are at record highs, so there is interest in beef cow herd rebuilding where pasture conditions allow.

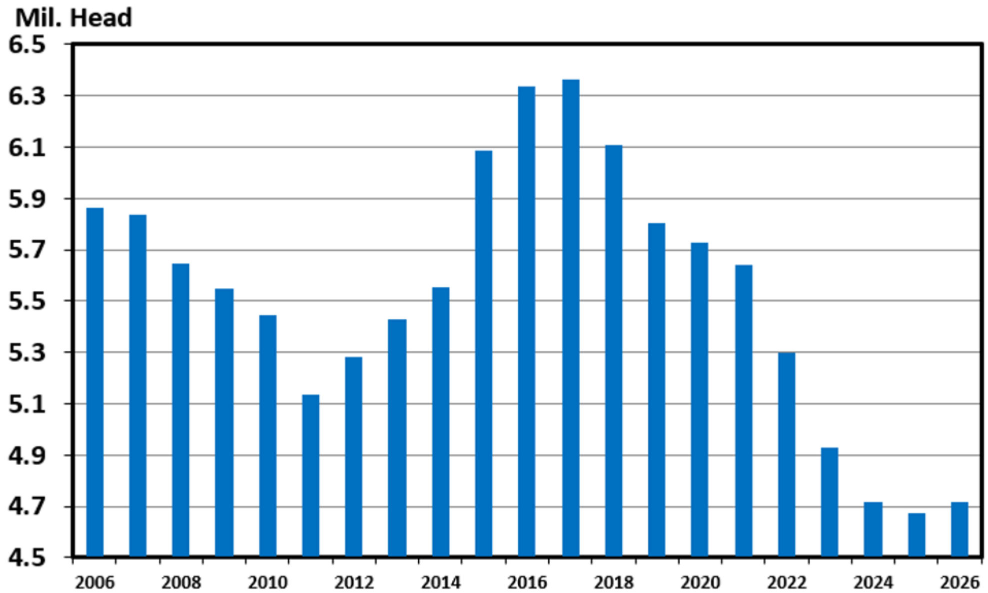
Continued on page 12.



Summer Calf Grazing Outlook — continued from page 11

The Jan. 1, 2026, U.S. beef replacement heifer inventory, at 4.7 million head, increased 41,700 head (1%) from the 4.67 million head last year, indicating some interest in herd rebuilding where forage conditions are favorable. Last year was the lowest number since 1950, and the slight increase in 2026 was still historically low.

Heifers Held as Beef Cow Replacements — January 1, U.S.



Source: USDA NASS

If U.S. moisture conditions improve, beef replacement heifers may be in high demand in 2026-2027 for herd rebuilding, so grazing replacement heifers this summer may have potential.

The three most important factors that affect calf and feeder cattle prices are calf supplies, corn prices and fed cattle prices — especially live cattle futures in the contract months when the purchased feeder cattle will be marketed for slaughter.

Lower supplies with 2026 being the eighth year for declining calf crops, and the record-high 17 billion-bushel 2025 U.S. corn crop was supportive to calf and feeder cattle prices.

Fed cattle market and futures prices are near record highs, which is supporting feeder cattle prices.

Purchasing or retaining calves to summer graze is a "margin" enterprise, so it is important to compute your expected costs and returns.

On North Dakota State University Extension's website www.ag.ndsu.edu/livestockeconomics/Budgets, there is a summer grazing budget that can be used for planning purposes. Example costs and returns are shown, but since each producer's situation is different, the spreadsheet allows users to input expected numbers.

There is a wide range in feeder cattle prices at North Dakota livestock auction markets reported by the USDA Agricultural Marketing Service. The recent report showed prices for 550-600-lb. steers ranging from $475 per hundredweight (cwt.) to $542/cwt., with an average of $510.77/cwt.

Prices for heifers weighing 550-600 lbs. ranged from $421/cwt. to $440/cwt. and averaged $432.35/cwt.

The price discount for heifers is a reason many are retained and summer-grazed in North Dakota, as the price gap continues to narrow as weights increase and replacement-quality heifers bring a premium.

CME feeder cattle futures prices for August and September are trading at $373/cwt. and $371/cwt. but have been volatile.

An example budget assumed a 550-lb. steer calf purchase price or value if already owned at $510/cwt. The expected selling price for the 850-lb. steer in the fall was $371/cwt.

The example costs and returns in the budget projected a negative return to labor and management of -$35 per head. The budget included a $100/head premium cost for an 850-lb. steer USDA Livestock Risk Protection insurance contract maturing in September.

Lowering the steer purchase price to $495/cwt. resulted in a $48/head return. However, a 10% lower selling price of $334/cwt. resulted in a $267/head loss.

A marketing plan that includes a price risk management strategy should be considered, given the expected volatility and risk in feeder cattle prices. Drought conditions linger, the potential size of the 2026 corn crop is unknown, government policy decisions are impacting beef imports and exports, domestic and export beef demand face challenges and geopolitical issues remain uncertain.

Continued on page 13.

Summer Calf Grazing Outlook — continued from page 12

North Dakota Weekly Cattle Auction Summary

AMS Livestock, Poultry, & Grain Market News　　Sun Apr 26, 2026

North Dakota Dept of Ag Mrkt News

STEERS - Medium and Large 1 (Per Cwt / Actual Wt)

Head	Wt Range	Avg Wt	Price Range	Avg Price
25	424-439	433	575.00-620.00	596.80
63	451-485	471	530.00-585.00	560.84
41	501-546	527	510.00-540.00	526.82
72	551-592	575	475.00-542.00	510.77
64	601-623	615	451.00-470.00	456.57
35	658-671	665	412.00-463.00	426.17
50	700-730	710	402.00-435.00	420.10
79	754-789	767	375.00-391.50	386.00
40	812-822	818	367.00-376.00	370.35
258	864-893	875	365.00-379.00	376.94
25	874	874	345.00	345.00
100	916-944	920	324.50-365.50	349.87
8	989	989	313.50	313.50

HEIFERS - Medium and Large 1 (Per Cwt / Actual Wt)

Head	Wt Range	Avg Wt	Price Range	Avg Price	
21	431-443	435	513.50-545.00	534.31	
96	461-493	483	442.50-490.00	476.71	
189	512-547	527	430.00-474.00	455.32	
112	560-590	574	421.00-440.00	432.35	
20	551	551	507.50	507.50	
170	616-647	631	401.00-460.00	427.33	
175	653-694	679	363.00-402.00	376.48	
23	664-687	680	375.00-405.00	385.33	Replacement
63	703-736	717	352.00-376.00	366.22	
16	710-743	722	382.50-410.00	399.39	Replacement
97	750-795	769	341.50-360.00	351.55	
161	750-798	776	325.00-378.00	360.72	Replacement
144	813-845	819	336.00-347.00	342.33	
136	802-838	825	330.00-367.50	345.16	Replacement
13	873-879	875	309.00-317.00	313.91	
60	904	904	332.00	332.00	Replacement

CME September Feeder Cattle Futures