



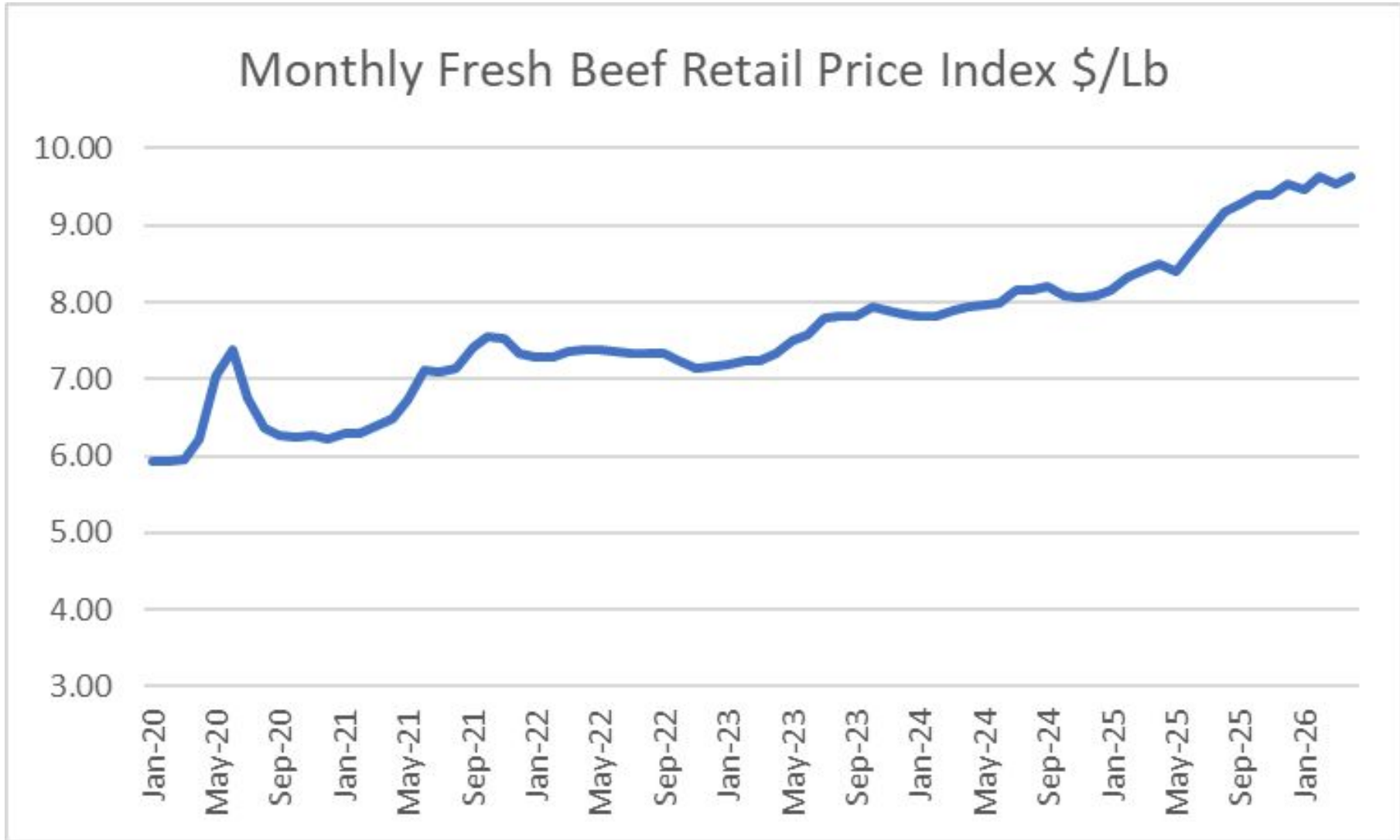
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Current and Future Situation for the Pacific Northwest Cattle Industry

Shannon Neibergs, Professor Extension Economist
Director Western Extension Risk Management Education Center
Washington State University
sneibergs@wsu.edu

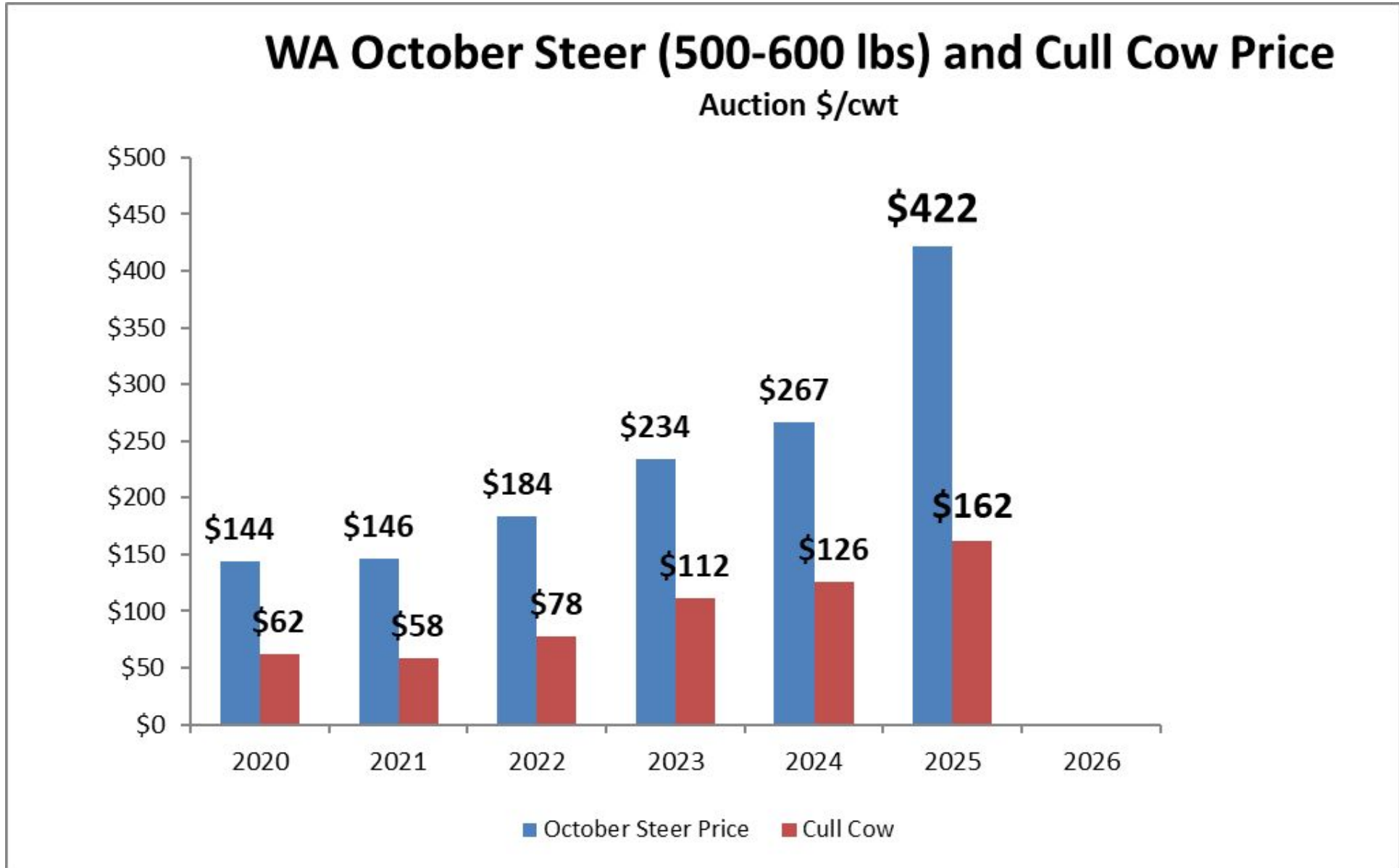
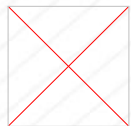
Consumer Demand Supports Record High Prices

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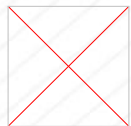


Record High Calf and Cow Prices and Outlook

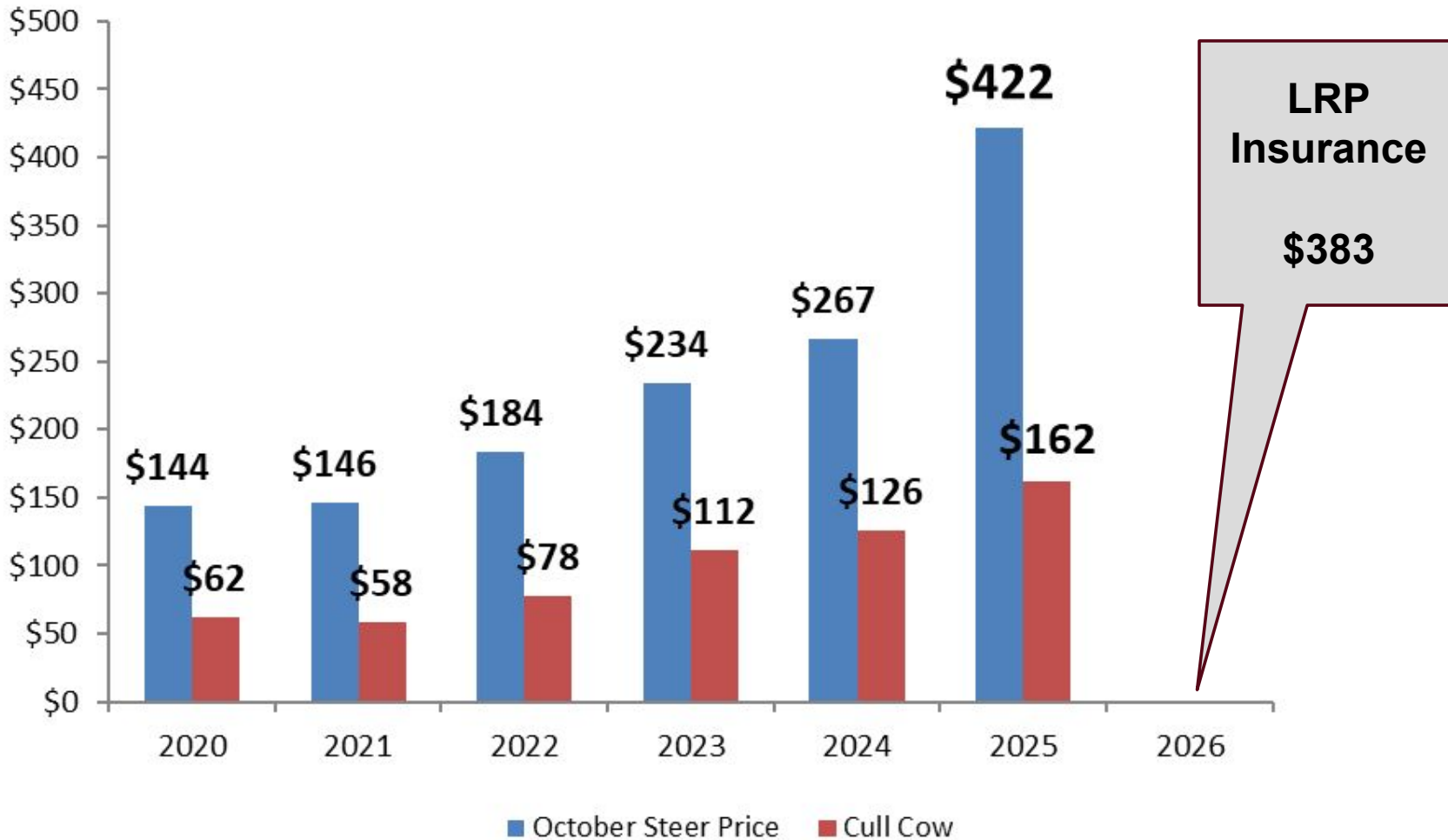
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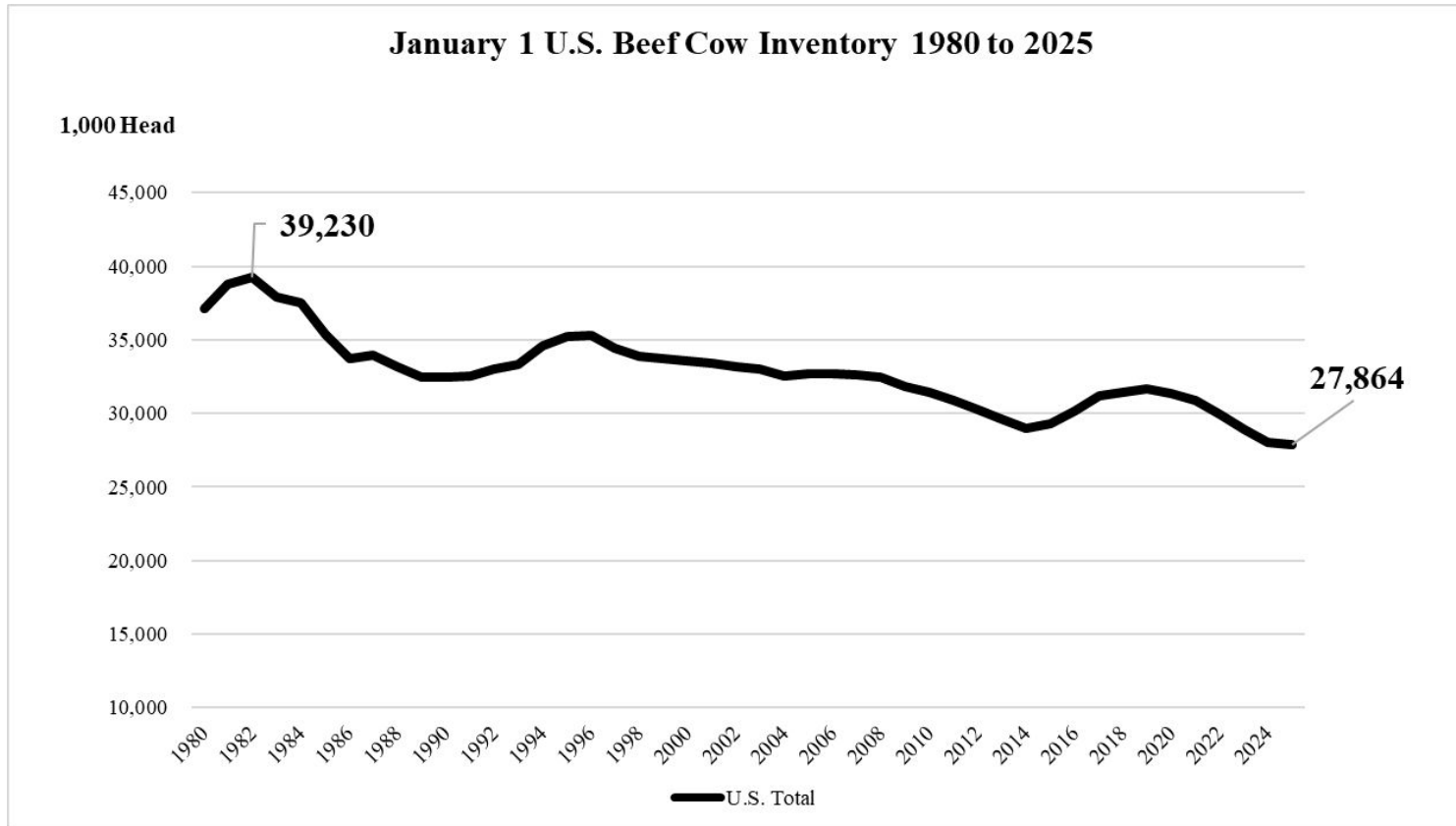
Record High Calf and Cow Prices and Outlook



WA October Steer (500-600 lbs) and Cull Cow Price Auction \$/cwt

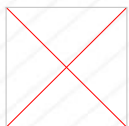


U.S. Beef Cow Herd Inventory Declining Trend



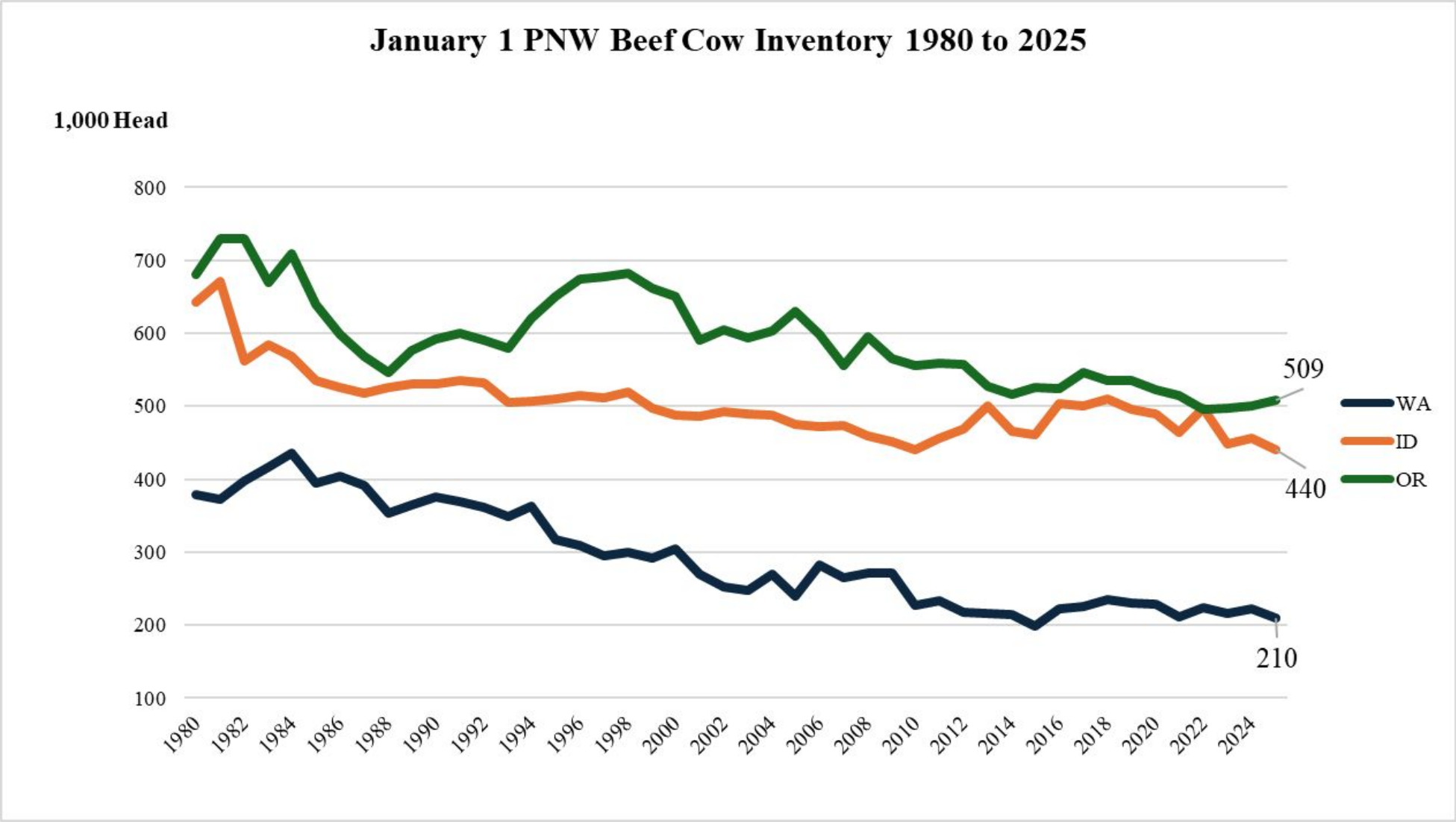
U.S. Beef Cow Inventory

- Decline of -29% from 1982
- 2025 inventory compares to 1961
- 6th consecutive years of inventory decline
- Drought commonly cited
- Challenging replacement economics
- Heifer slaughter % monitored to gauge herd rebuilding



PNW Beef Cow Herd Inventory Follows National Trend

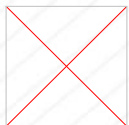
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A look at Beef Cow Inventory Changes

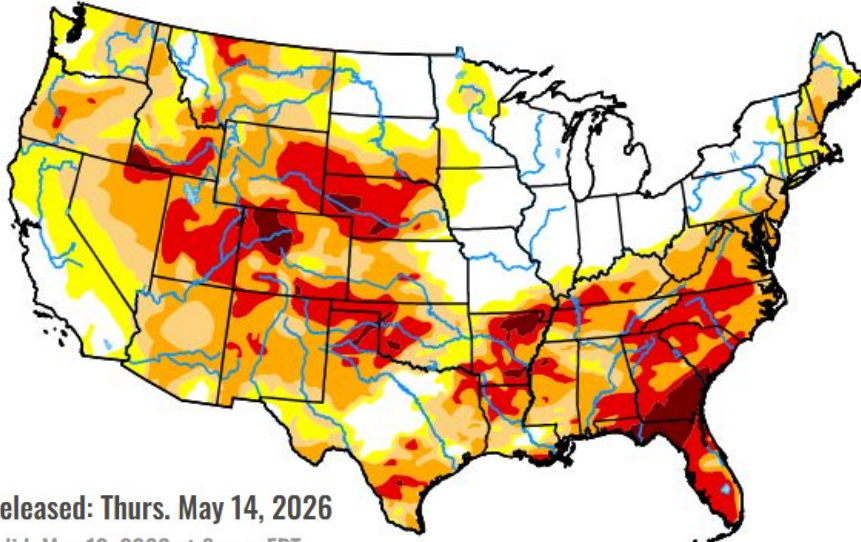
January 1 Beef Cow Inventory Analysis

	Inventory Data			Change %			10 Year Inventory CV
	Max 1,000 Hd	Year	2020	2025	% from Peak	% from 2020	
Idaho	721	1975	490	440	-39%	-10%	5.20
Oregon	730	1982	523	509	-30%	-3%	3.28
Washington	436	1984	228	210	-52%	-8%	4.82
Montana	1,637	1984	1428	1252	-24%	-12%	7.54
U.S.	45,712	1975	31349	27864	-39%	-11%	4.56



Widespread drought in major cattle areas

U.S. Drought Monitor



Map released: Thurs. May 14, 2026

Data valid: May 12, 2026 at 8 a.m. EDT

Intensity

- None
- D0 (Abnormally Dry)
- D1 (Moderate Drought)
- D2 (Severe Drought)
- D3 (Extreme Drought)
- D4 (Exceptional Drought)
- No Data

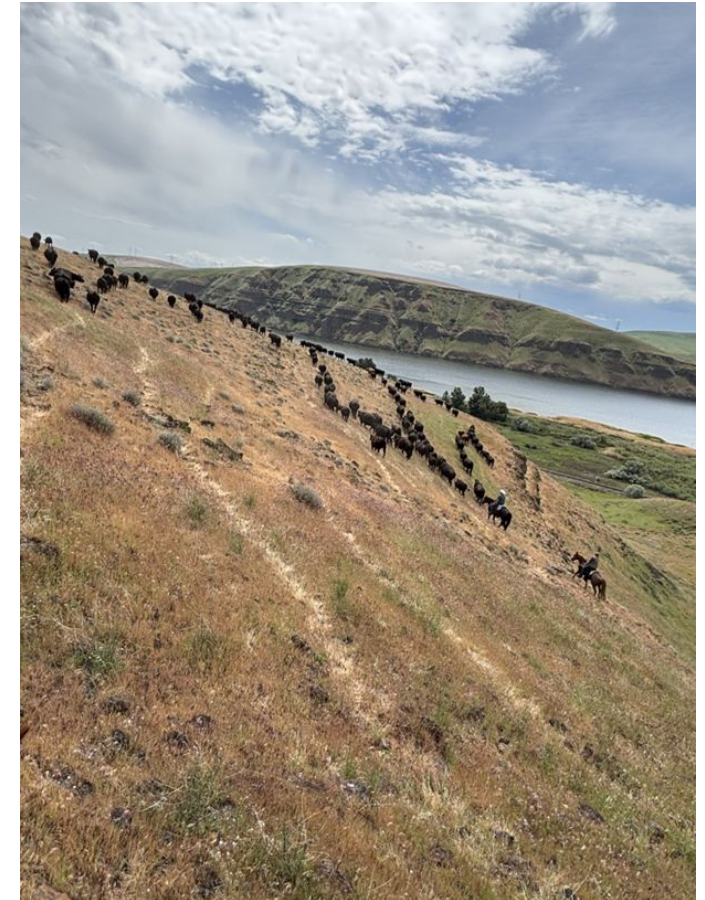
Hay market comments:

- 61% percent of all cattle inventory in a drought declaration
- 49% of hay acreage in a drought declaration
- High Dec. 1 2025 hay stocks and easy winter
- Current hay prices show slight increase over 2025
- Challenging and reorganizing export hay market sale terms and risk transfer to hay producers

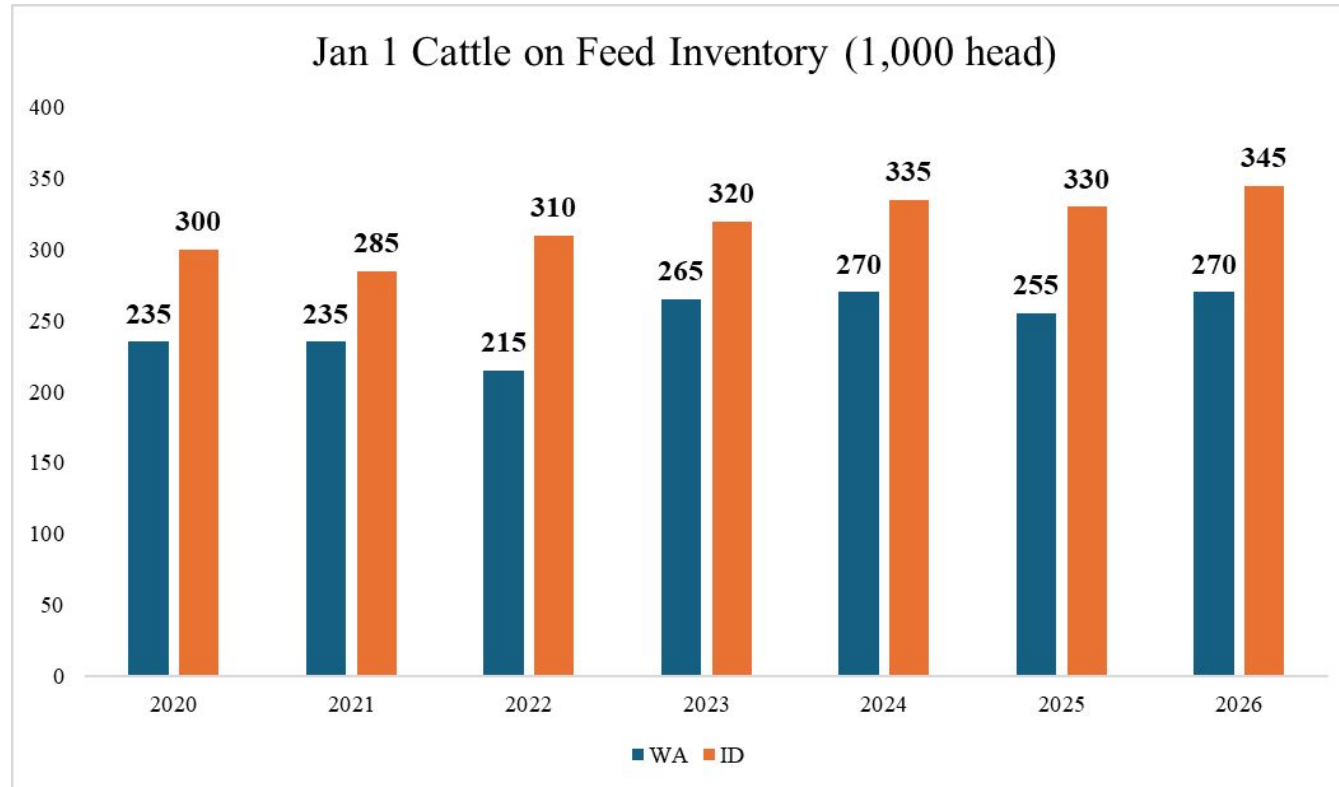
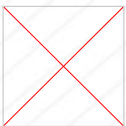


Heifer Retention Replacement Economics

- Record high prices = record high opportunity cost of heifer retention
- Record high bred heifer prices
 - 3-4 year payback period
 - Record high salvage value
 - Dependent on maintaining record high prices
- Cow longevity is key to risk management
- Replacement management priorities
 - Managing cash flow and family objectives
 - Managing the ranch resource stocking rates
 - Managing for the long run not maximum profit taking



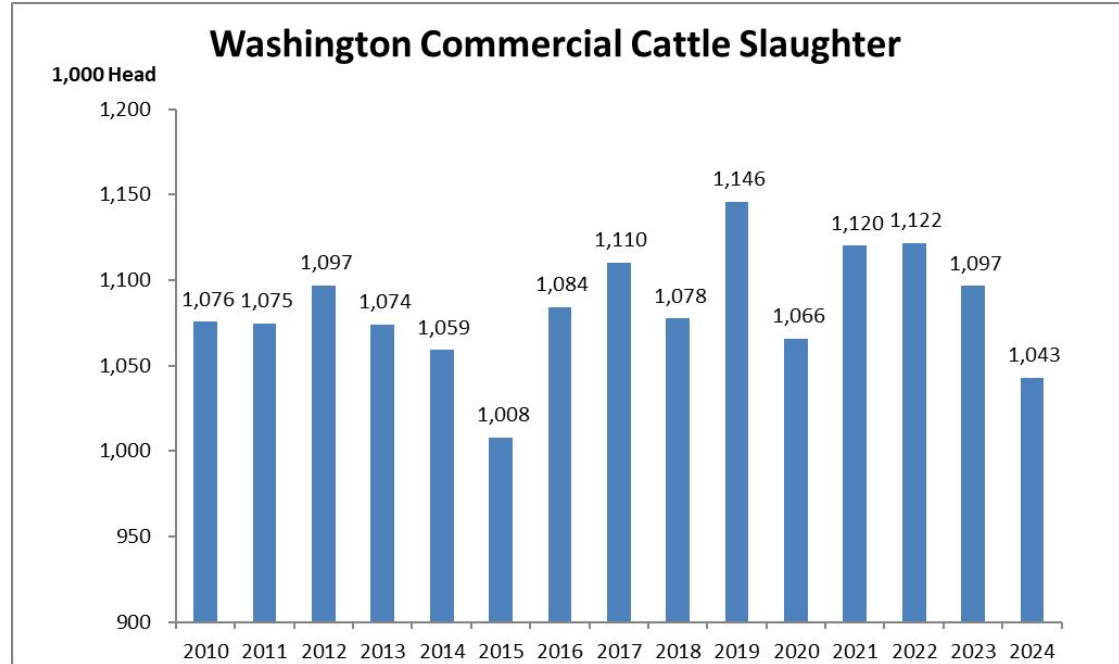
PNW Feedlots Maintain Inventory Despite Inventory Decline



Feedlot Factors:

- Competitively sourcing placements
- Lower cost of gain
- Increasing days on feed
- Higher carcass weights
- Byproduct feeding advantages

Cattle Packer Sector

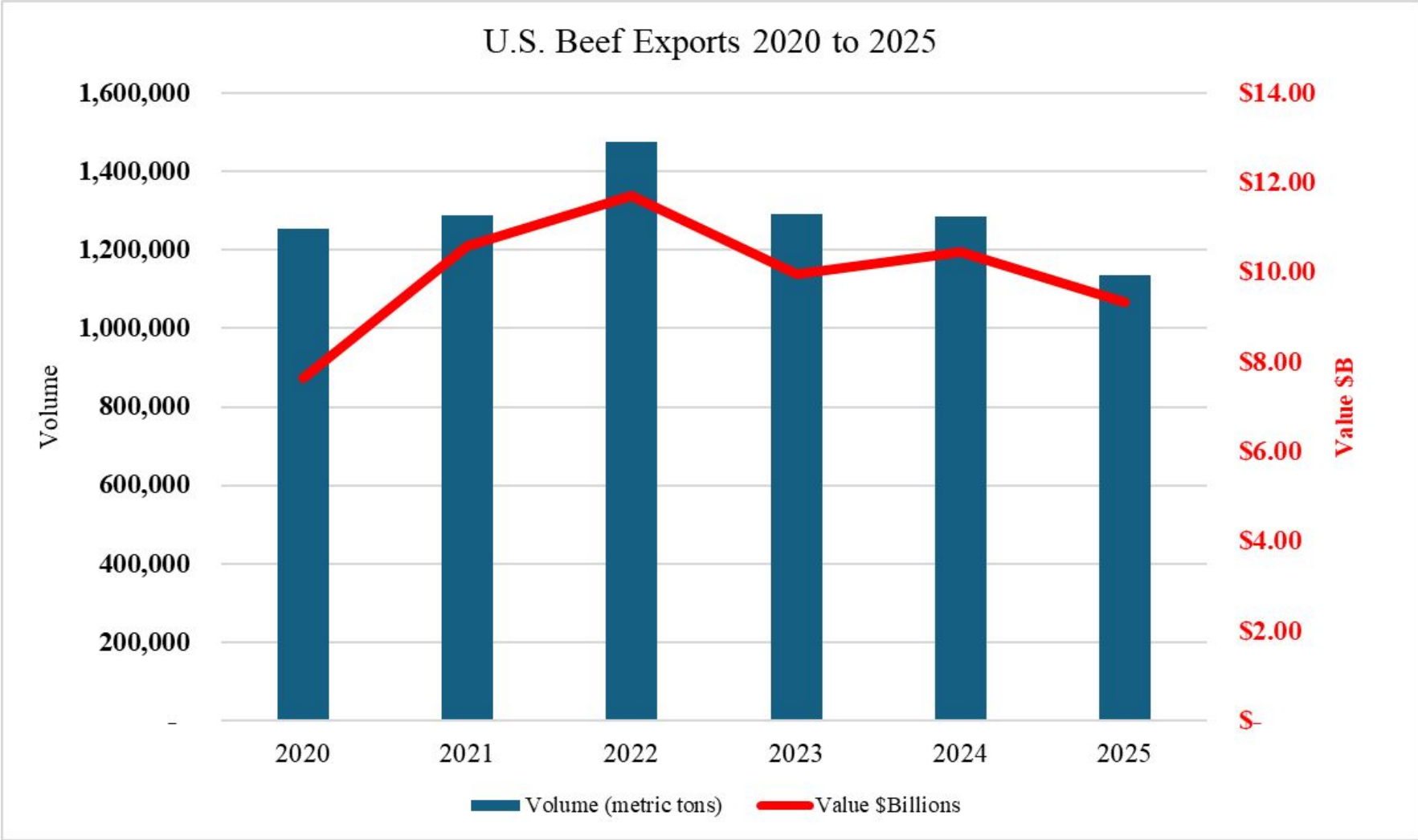


Packer Factors:

- Stability in Washington slaughter numbers
- Nationally packing plant capacity exceeds finished cattle exiting the feedlot
 - Reported packer losses of $-\$246$ /head
- Accentuated in Southwest due to loss of roughly 1.3 M Mexican cattle feeder imports
- Market risk where packer plant closure causes supply chain disruption and price collapse
- DOJ investigation into meat packers antitrust price manipulation
- China relaxing non-tariff trade barriers to allow market access to 400 U.S. Packers



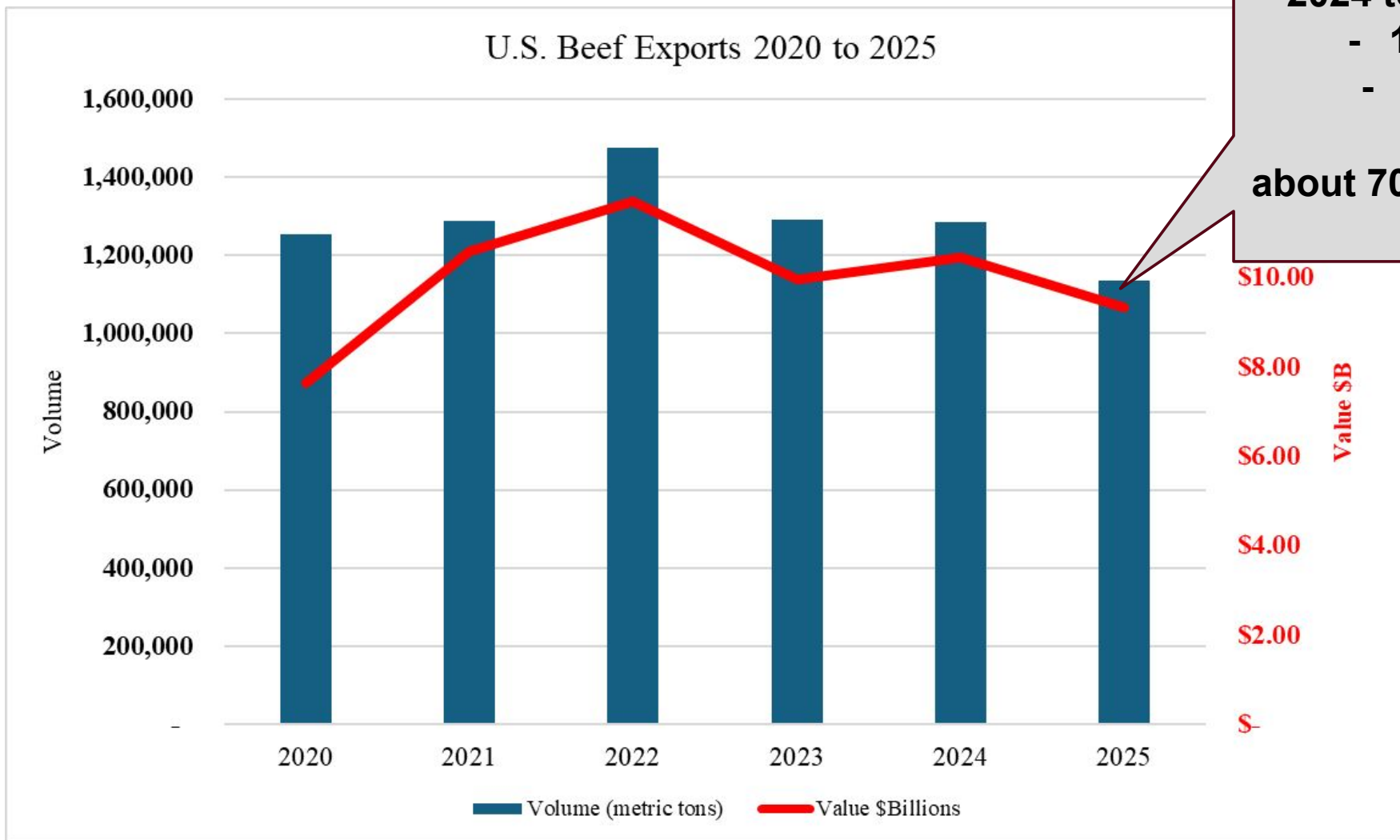
U.S. Beef Exports Remain Strong



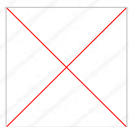
<https://usmef.org/export-data/export-statistics/month-to-month>



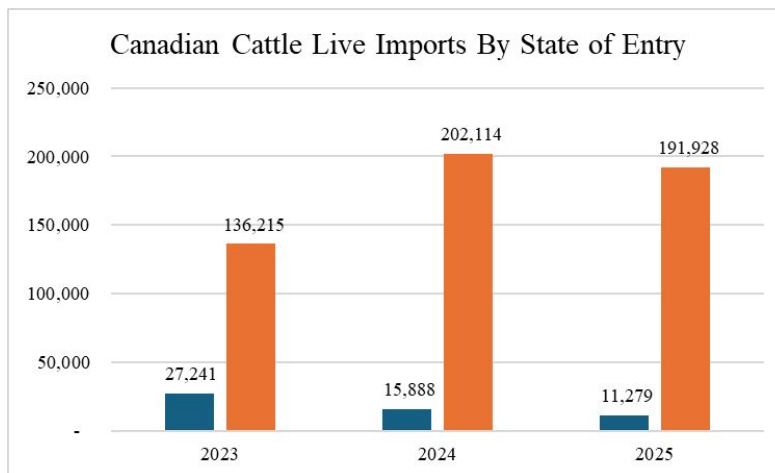
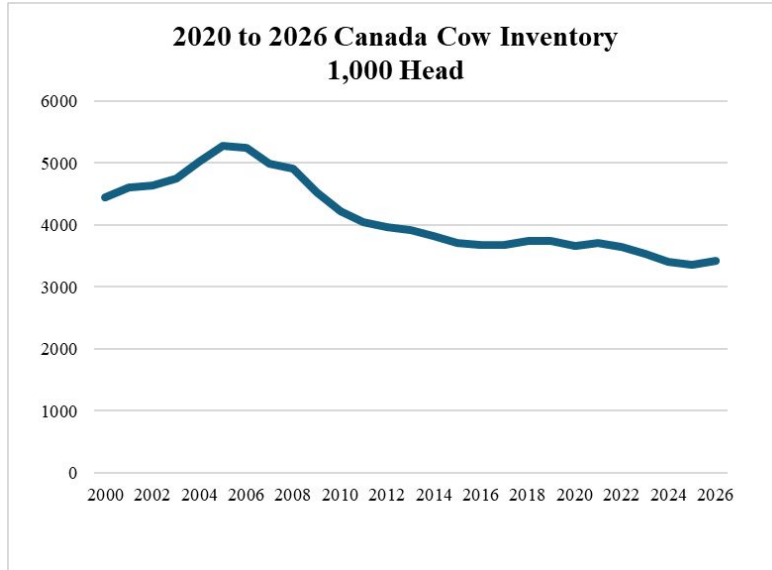
U.S. Beef Exports Remain Strong



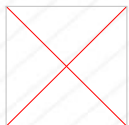
2024 to 2025 Change
- 12% Volume
- 11% Value
But
about 70% of the decline
is China



Cattle and beef imports



- 2025 record high lean trim imports from Brazil, Australia, Argentina, Uruguay
- Imports balance domestic shortfall
- Proposed then froze the proposal to relax beef imports tariff rate quotas
- New World Screw worm import restriction decreases roughly 1.3 million head
- Canadian live cattle imports have a bigger magnitude in Idaho



\$ 2.08 Billion Washington Beef Industry Economic Contribution

Washington Beef Industry 2024 Economic Contribution		
Cow-Calf	Value Added	Jobs
Direct	\$169,684,896	2,683
Indirect	\$111,107,917	969
Induced	\$21,933,114	137
Total	\$302,725,927	3,788
Feedlots	Value Added	Jobs
Direct	\$42,702,278	717
Indirect	\$243,677,972	1,656
Induced	\$69,434,587	434
Total	\$355,814,837	2,807
Processors	Value Added	Jobs
Direct	\$297,058,939	3,015
Indirect	\$699,226,497	4,894
Induced	\$425,677,768	2,667
Total	\$1,421,963,204	10,577
Total	Value Added	Jobs
Direct	\$509,446,113	6,414
Indirect	\$1,054,012,386	7,520
Induced	\$517,045,469	3,238
Total	\$2,080,503,968	17,172



2024 Contributions of the Washington Beef Sector

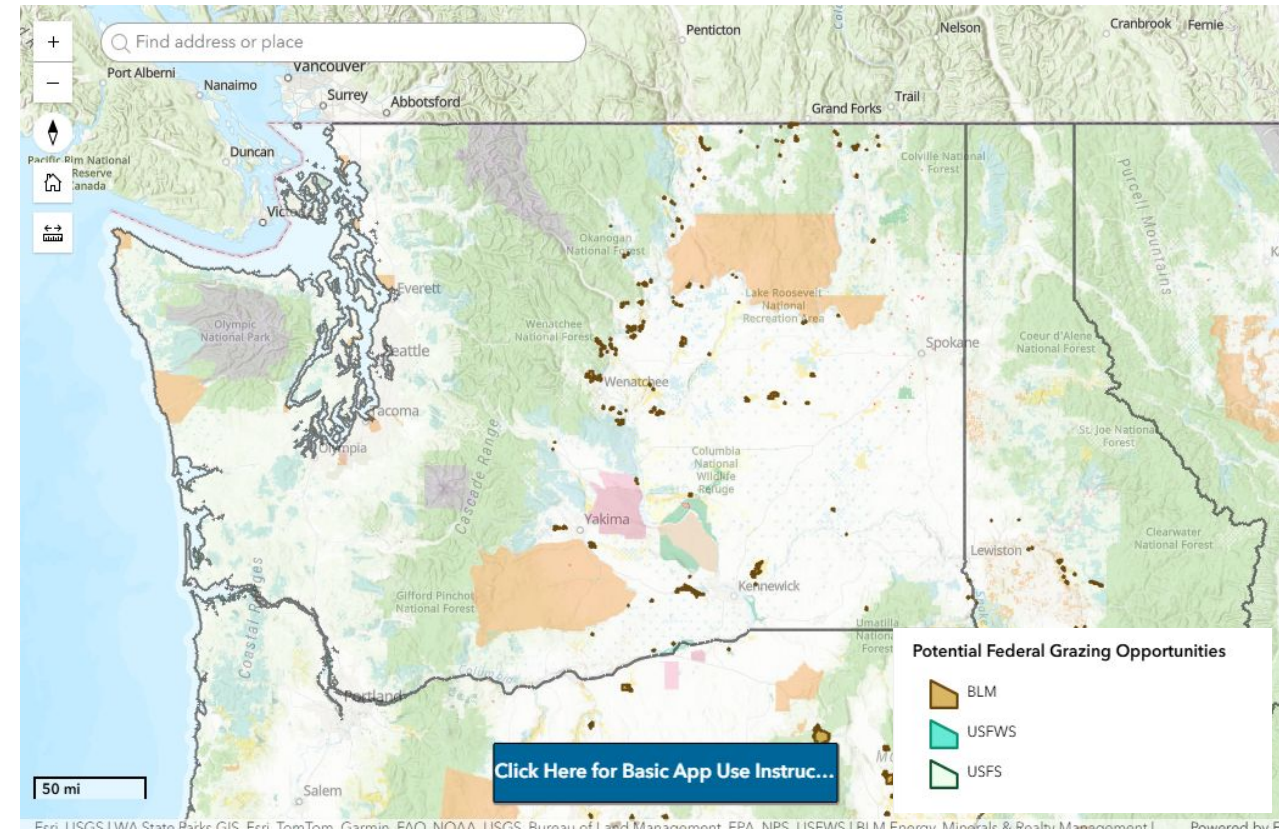


Recent (October 2025) American Beef Industry Plan

A. USDA-DOI GRAZING ACTION PLAN

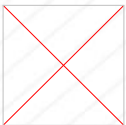
USDA DOI Grazing Action Plan:

- Prioritizing Vacant Allotments
- Streamlining Permitting
- Promote innovative grazing management tools and practices
- Own or control base acres linked to allotment
- New standards of evidence for compensations for predations



Concluding Thoughts

- 2 year biological cycle lag on herd inventory expansion is certain to keep supply constrained and consumer prices high
- Beef packers have underutilized capacity creating fear for a black swan event such as the Tyson Holcomb plant fire August 19, 2019.
- Beef on dairy effects on the supply chain
- Washington Beef Industry supports \$2.08 Billion Value Added and over 17,000 jobs in 2024
- Beef is presently high profile in policy announcements





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Discussion and Questions

Shannon Neibergs
sneibergs@wsu.edu

509 335 6360