



December 15, 2025

Cattle Market Price and Slaughter Highlights							
13-Dec-25	Alta Steers Rail	Ont Steers Rail	Nebraska Steers Dressed US\$	Alta-Neb Spread Live C\$	Alta 8-9 wt	US Slaughter	Cdn Slaughter
This week	492	500	354	-20	462	596,000	60,000
Last week	486	490	343	-19	442	600,000	58,898
Prior four week avg	487	504	342	-14	449	565,170	59,008
Last year	424	425	195	-22	353	609,630	60,238

Last Week in Review

Last week started off with a feeling among cattle feeders that packers needed cattle for that week's slaughter. They were reportedly pulling hard on contracts and formulas. There were no bids or trade noted as of Tuesday. By Wednesday a big trade took place at a national average of about \$226 which was \$5 higher than the prior week. Even at that, many cattle feeders passed, especially in the shorter south. Packers clearly needed cattle because on Thursday another big trade took place at \$230. The weekly average was \$228 live and \$354 dressed. Kills the last two weeks were the biggest since late last winter. Packers finally had positive margins plus orders to fill and hence kills were ramped up. The bigger production eased the cutout and that plus the higher cattle costs once again drove packer margins red.

JBS was nowhere to be seen last week. Cargill was at \$493 to \$495. They were all the way to the end of January for those cattle. With that said, I don't think they are that full; I think they are trying to string out their numbers. For example, last week they did not kill a full day on Friday. Meanwhile JBS has not done a Saturday in a while, but their daily rate is an impressive 4,500+-. Numbers available seem to be tightening up a little in Alberta. There are not as many of the U.S.-type cattle that are on offer any more. Packer buyers are a little less comfortable lately than they have been for several weeks. With that noted, they welcome some shorter weeks on the horizon.

In Ontario it was stronger last week because of the U.S. market. Prices gained \$10 to settle at \$500. With the bounce in the U.S. market the Cargill buyers looked a little spooked. There are cattle around and many sellers are looking to move cattle. There were not enough with that attitude, however. Other sellers were willing to close the gate at \$490. That forced Cargill's hand. With that said the firmer dollar took some of the punch out of the market. The U.S. bid worked out to be in the \$505 range, so cattle were still going. More will go this week given the U.S. strength. There will still be numbers around in the early weeks of January but then it is going to get tight.

This is the last report for the year.

Merry Christmas and Happy New Year.



Canadian Market Developments

Canadian Slaughter				
	Steer	Heifer	Cow	Total
Latest week	35,668	14,557	8,372	58,898
Latest 4 week avg	36,329	14,178	8,131	59,008
52 Wk Avg	31,444	15,247	7,315	54,349
Last Year 4 week avg	34,822	18,431	9,215	62,764
Weekly Canadian A Grade Mix Percent and Steer Wts				
	Prime	AAA	AA	Steer Wt.
Latest week	12%	74%	14%	1,003
Latest 4 week avg	10%	75%	14%	1,004
52 Wk Avg	6%	73%	20%	941
Last Year 4 week avg	6%	76%	17%	975

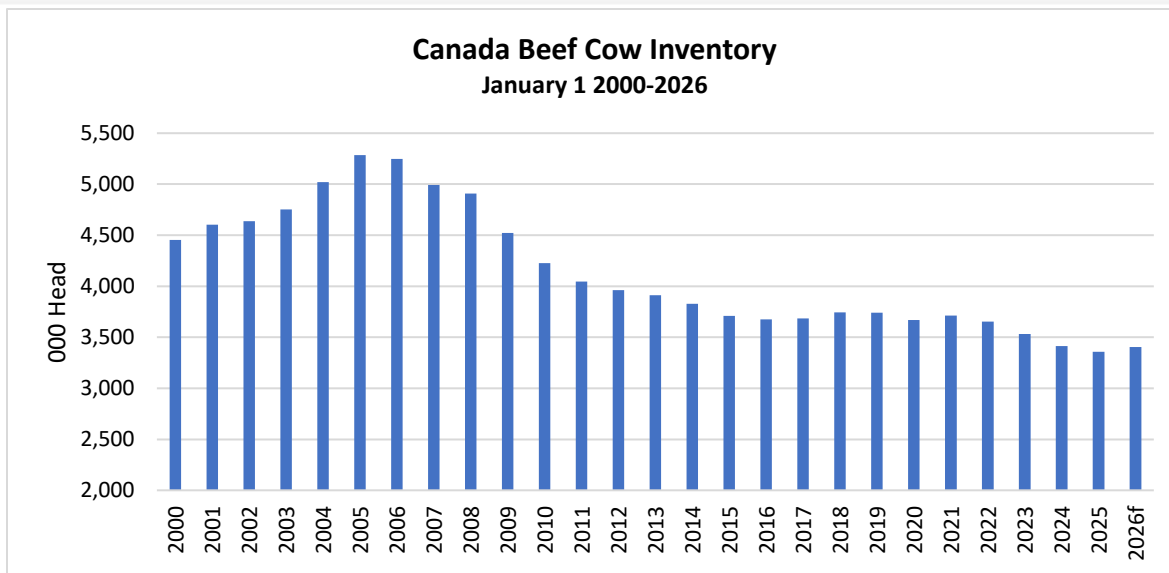
Latest week ending December 6, 2025. Source: CBGA

Potential 2026 Basis Bids					
Compared to 2025 and 2019-2024 Avg Basis and Nebraska Spreads					
C\$/cwt	Potential Basis Bid	2025 Basis	2025 Spread	2019-2024 Basis	2019-2024 Spread
Feb	\$2.00	-\$10.15	-\$14.15	-\$16.33	-\$13.69
Mar	\$2.00	-\$19.25	-\$27.65	-\$13.09	-\$12.17
Apr	\$3.00	-\$3.87	-\$11.72	-\$4.08	-\$7.96
May	\$8.00	\$1.34	-\$20.76	\$11.08	-\$0.83
Jun	\$8.00	-\$5.40	-\$25.05	\$6.69	-\$2.01
Jul	\$5.00	-\$5.81	-\$29.90	\$2.02	-\$7.79
Aug	\$5.00	-\$22.72	-\$33.53	-\$1.99	-\$8.93
Basis is Alberta less Live Cattle Futures. Spread is Alberta less Nebraska Live Cash					

2025 Herd Actively Rebuilding

Cow Herd Up in 2026

The inventories of cows and replacement heifers, combined with the current year's cow kill can give a good indication of the cow inventory in the following year. Both January and July 2025 StatsCan Cattle inventory reports showed increases in heifer retention. The January report showed a modest reduction in the cow herd while the July report had cows up a little. Combine those inventory factors with the fact that cow slaughter will be down 6% this year; that leads to the conclusion that the 2026 cow herd will be up from 1-2% in 2026.



That 1-2% increase, however, might be underestimating the potential increase in the cow herd. A closer look at heifer slaughter suggests that maybe the cow herd will be up much more than 1-2%

Heifer Kill Sends a Message

Regarding the cow slaughter, as stated above, it will be down about 6% this year, or 23-25,000 head. What is most interesting this year is the steer and heifer slaughter. So far this year, steer slaughter is up about half a percent. Heifer slaughter on the other hand is down 16% or nearly 150,000 head. In 2024, there were 934,000 heifers slaughtered in Canada. This year, heifer slaughter is down nearly 150,000 head.

The fact that the steer kill is up in 2025 is probably more a reflection of the Cargill strike in Guelph last year. In addition, there was a big 100,000 head increase in calf imports in 2024 versus 2023. Those would also have boosted the steer kill tally in 2025. While the steer increase could be accounted for by imports and the Cargill strike, the heifer kill reduction is a major factor.

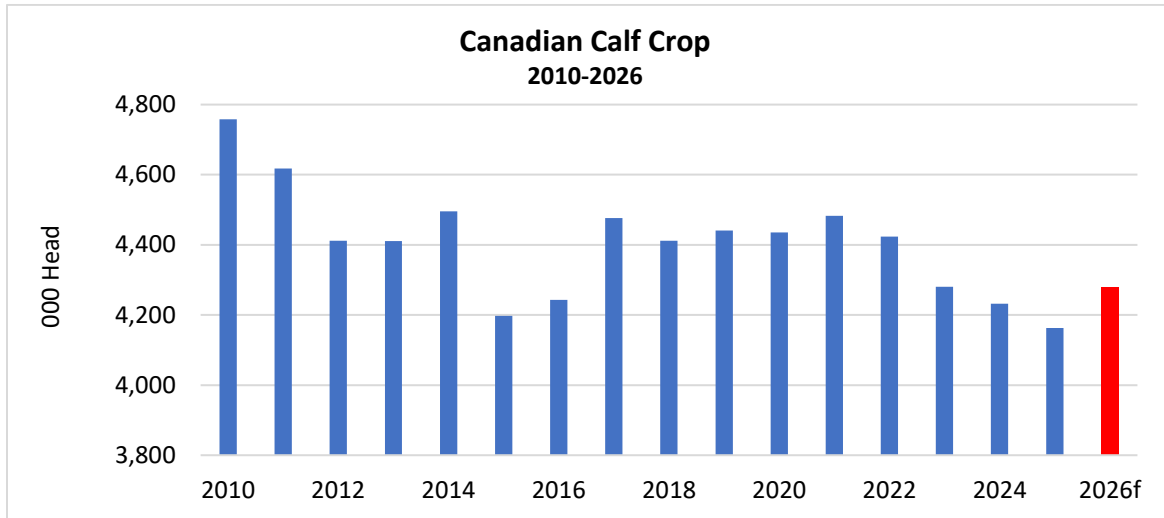
A reasonable assumption, given the cow-calf margins, is that nearly all those heifers and the cows not killed, 170,000+, have either had a calf or are going to have a calf. It means that in 2025 Canada is actively rebuilding the herd. That is not surprising since ranchers have the biggest financial incentive in history.

By contrast, the U.S. is down 4% on steers and 7% on heifers this year versus last. Cow kill is down 11%.

Jump in Calf Crop

The final calf crop for 2025 won't be reported by StatsCan until February. Based on inventory statistical relationships, the 2025 calf crop should see a decline of about 1.5% compared to 2024. The 2025 crop will be the lowest since the herd started to rebuild in 2017.

Based on the above noted expectation of the 2026 cow herd as well as the big decrease in female slaughter, it is reasonable to expect that the 2026 calf crop could be up by close to 3%. In other words, 2025 was probably the cycle bottom in the calf crop. It is still going to be a historically small calf crop, but it looks like it could be growing at an unusual rate. It will grow again in 2024.



Price Forecasts

Market News and Other Analysts' Opinions

- "The Barchart Trading Guide is a **Buy Signal** with a **Strong** Signal Strength," for the February futures (Barchart.com, December 15).
- Supply shortages have created intense competition for a small supply of cattle and all buyers are wary. Hopes for a positive outcome of ownership of new purchases are not high and most operations want to stay in the market but know they are overpaying for cattle. There is little evidence of reaching or passing the low point in replacement numbers. There is a desperation feeling driving new purchases of owning inventory at any price.

Empty pens are common spreading from south to north. Some operators would prefer to look at an empty pen to taking on the exposure by a new purchase of high priced cattle. Some bankers would agree. Those who do choose to place cattle on feed, must gamble with hard earned equity that future prices will rise well beyond the heavily discounted price witnessed on the futures board. Some consolidation of feeding capacity is expected in the new year. (CattleReport.AgCenter.com, December 13)

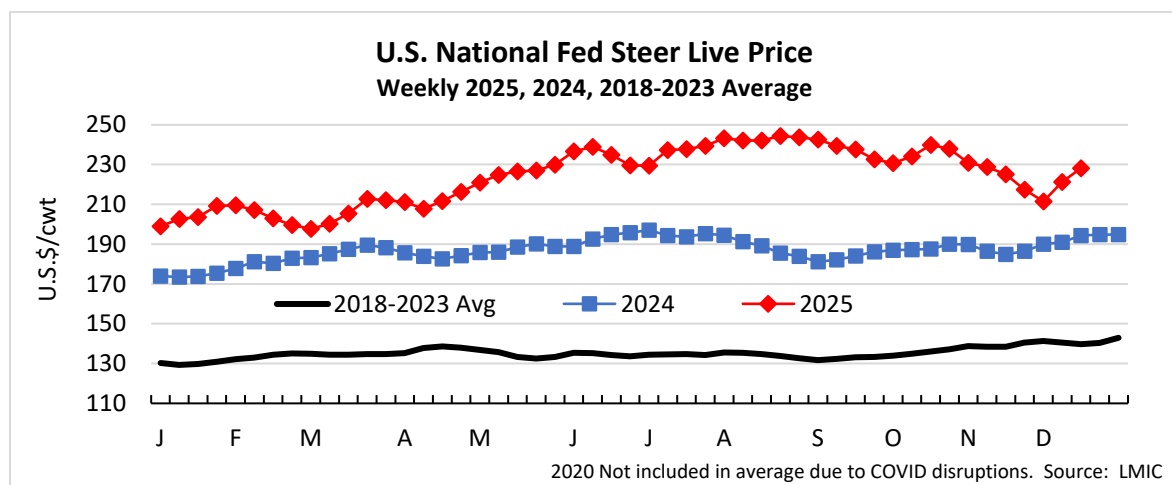
- Cassie Fish reminds us that despite forecasts for still tighter fed cattle supplies in 2026, there will be three fed cattle plant shifts that disappear mid-January and that's worth 7,800 head of daily capacity. So no, 2026 is a far cry from the carefree bull market of 2025 that saw the market soar to all-time highs in all categories. She goes on to say that "with replacements scarce and expensive, cattle feeders are hopeful that somehow a trip back to the highs, if not new highs, is in the cards. Packers on the other hand know they are in

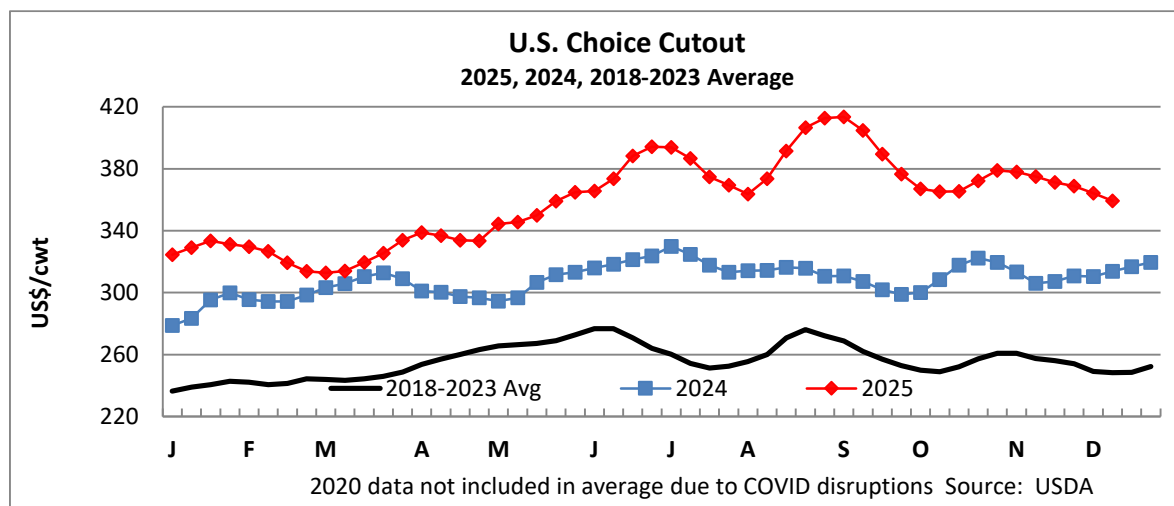
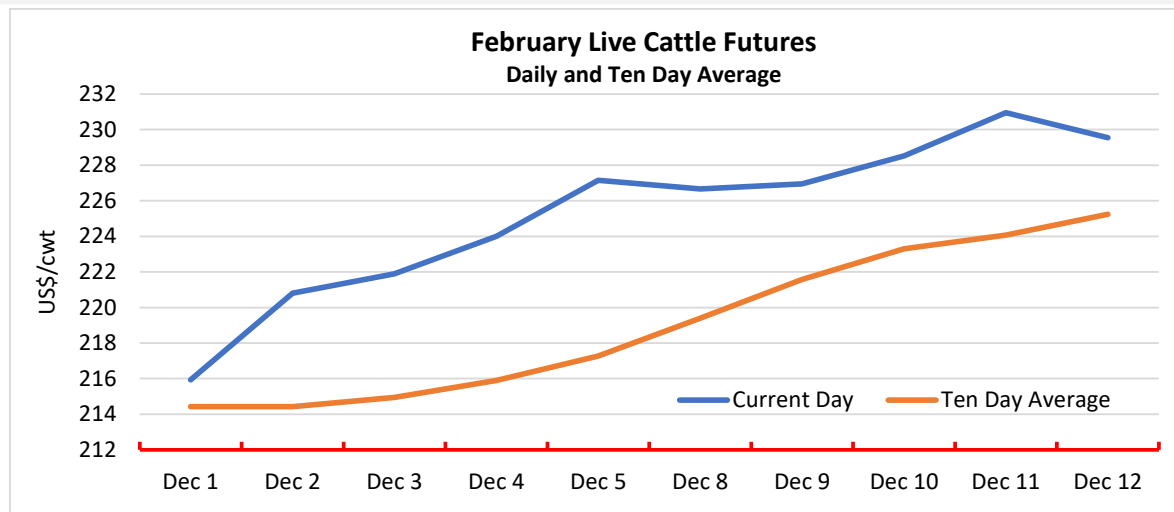
for a year of losses, though the outlook is less bleak thanks to the contraction in plant capacity.” (thebeefread.com, December 9)

- CattleRange.com, each week publishes a typical closeout for un-hedged 800 weight steers placed 190-days ago by a cattle owner at a commercial feedyard. The published results for cattle sold last week: US\$+90/head.
 - The projected closeout for steers placed on feed last week with a projected sale date of June 6: US\$-(332)/head.
- David Hales said “We believe that heifer retention will continue to increase as the year (2026) progresses if the moisture and grass conditions are adequate. The direct result will be fewer heifers going on feed which will continue to reduce the total number of fed cattle being harvested. (Hales Cattle Letter, December 12).
- Monthly feedlot placements have ranged 6-10% below a year earlier since last spring and November likely extended that pattern, says Mike Sands, MBS Research. But feedlot inventories remain large relative to placements, reflecting the slow marketing pace and the historically large volume of long-day cattle. Longer feeding regimes and heavier carcass weights are the new norm but may have been carried to an extreme in recent weeks. But aside from the supply, the small placements of recent months suggest much smaller fed cattle supplies in the months ahead. (Cattle Buyers Weekly, December 12).
- The six-month old Sustainable Beef plant in North Platte, Neb., currently processes up to 1,300 head daily. They were at 800 in September (knopnews2.com, October 9). It is on its way to its previously stated goal of 1,500 per day. Sustainable Beef’s board of directors is considering boosting the operation to 1,800 head daily as part of a single daytime shift (meatingplace.com, December 10).

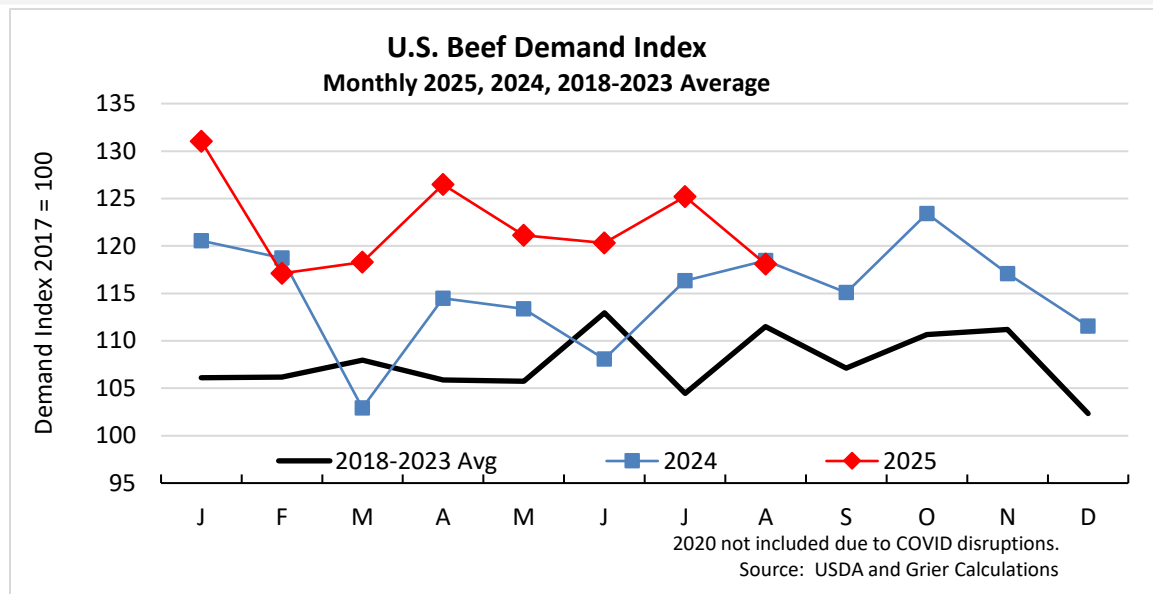
Grier Opinion and Analysis

U.S. Market

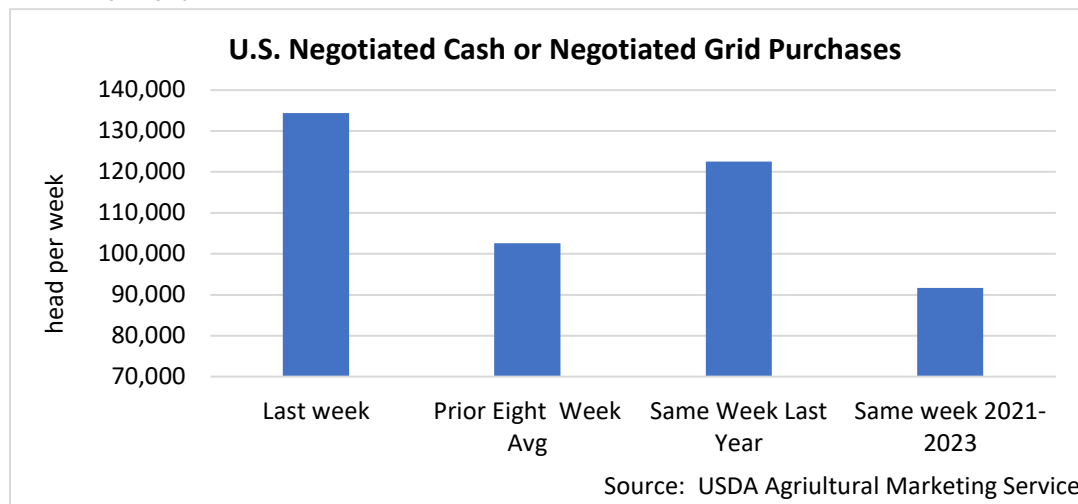




- Packer net profit margins last week according to U.S. analyst Rob Murphy: -\$135/head.
 - Margins were positive the weeks ending Nov 29 and Dec 6
 - Margins were red by an average of US\$-76 in November, \$-265 in October, according to Murphy.
- U.S. consumer demand can be assessed monthly. The consumption component of demand can be computed once monthly production and trade data are reported. From that point USDA and the Bureau of Labor Statistics data on retail beef prices can be applied to the consumption measure. That combination of price and consumption results in an estimate for demand.
 - Beef per capita consumption August (latest due to U.S. government budget dispute): -9% vs 2024.
 - August beef prices (CPI): +14% vs 2024.
 - August demand (consumption x deflated price): +-0% versus 2024.

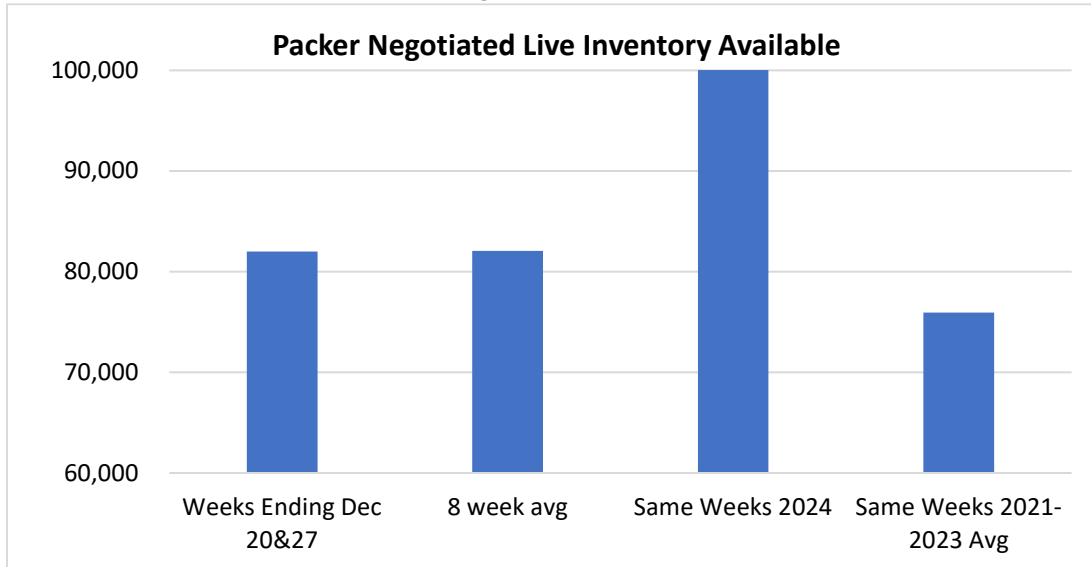


- U.S. cattle slaughter was 596,000 last week and 600,000 the prior week.
 - Total slaughter four-week average ending December 13: -5% vs. last year.
 - Fed cattle kill four-week average ending November 29 (latest) vs 2024: -7%.
 - Non-fed kill four-week average week ending November 29 (latest): -7%.
- Forecasted fed cattle availability based on Cattle on Feed Report placements:
 - Fed cattle available this week and next vs same weeks 2024, -5%.
 - January, -5%; February -6%.
- USDA reports the following sales on a negotiated live or dressed basis:
 - Last week, 134,000 head.
 - Prior eight-week average, 103,000 head.
 - Same week 2024, 123,000.
 - Same week 2021-2023 average, 92,000.
 - 79% of cash purchases were for delivery within two weeks, versus the two week norm of 75%.



- Packer cash inventory levels estimated based on prior week's USDA purchase data:

- This week and next, 82,000 head.
- Prior eight-week average, 82,000 head.
- Same weeks 2024 (this week and next), 101,000.
- Same weeks 2021-2023 average, 76,000.



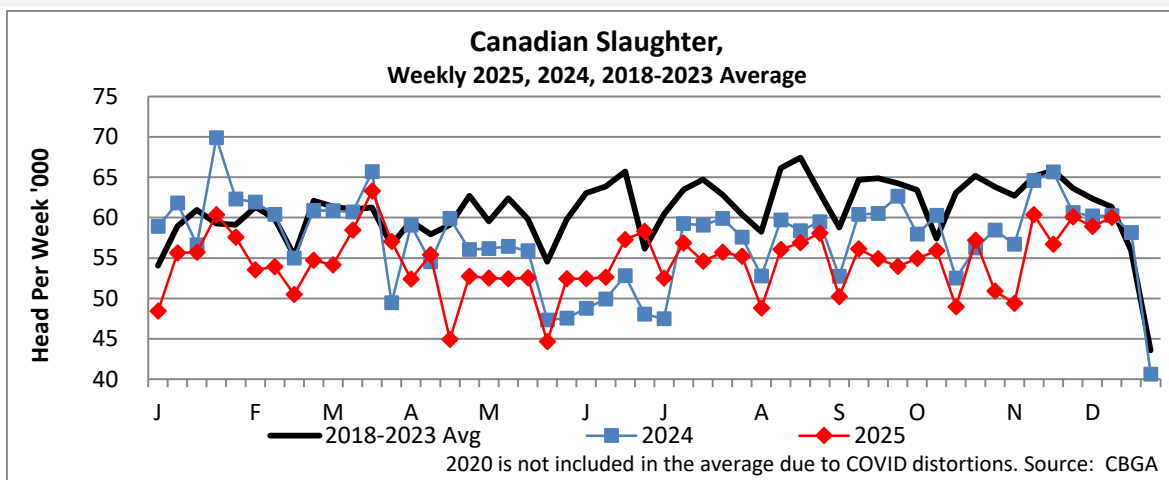
- USDA AMS reports that contract signings for December delivery are much greater than last year and greater than average for December. January signings are greater than last year but lower than average for January.
- New signings have declined dramatically during the past five weeks.

U.S. Summary Points

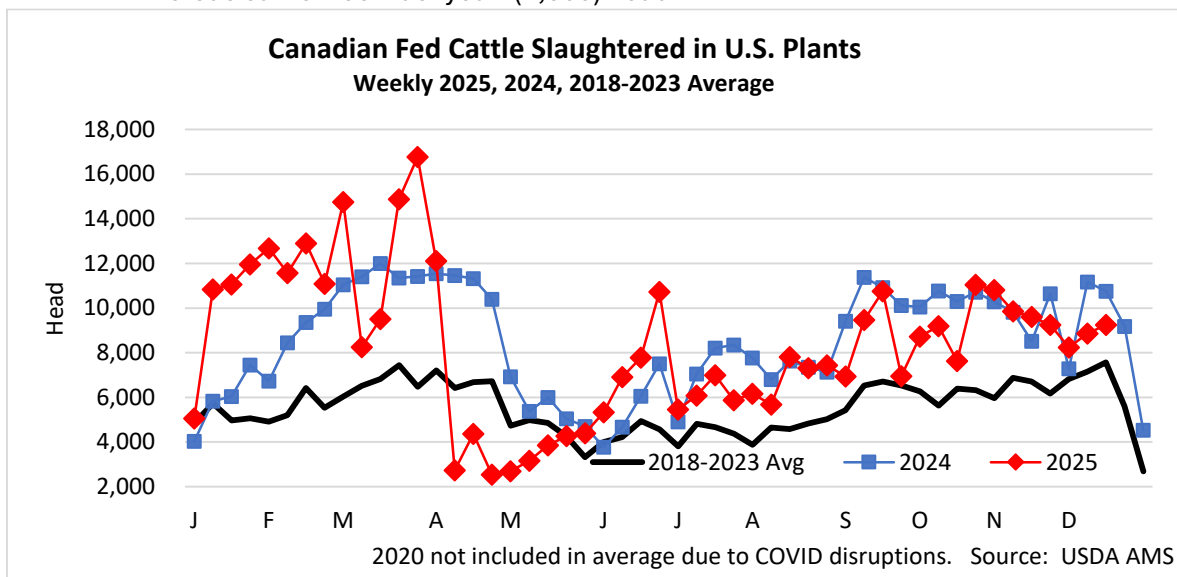
- Prices staged a big upward reversal during the past two weeks.
- The futures undertone is robust.
- The cutout declined for the sixth week in a row. At this time of year, after U.S. Thanksgiving, prices are normally on the rise as Christmas needs are filled.
- Packer margins are back in the red after a brief sojourn in the black.
- Fed cattle availability should be about -5% less than last year from now through January.
- Packer purchases were much greater than average last week.
- Despite the large purchases last week, packer negotiated inventory for this week is just average. That is due to the prior week purchases being for very close in delivery.
- Packers are more comfortable with December/January contracts than last year.

Canadian Market

- **Cargill** in Guelph daily average was about 1,750 on five days.
- **Cargill**, High River, is still doing about 4,100 except for Friday which saw reduced hours.
- **JBS** in Brooks continued to see bumped up daily kills. Last week averaged about 4,550+.
- **Harmony** went five days last week at about 500
- Canadian total slaughter four weeks average ending December 6 (latest):
 - -6% vs last year.
 - -8% vs 2018-2023 average.
 - The graph below shows actual slaughter through December 6 and Grier estimate for last week (60,000 last marker on graph).



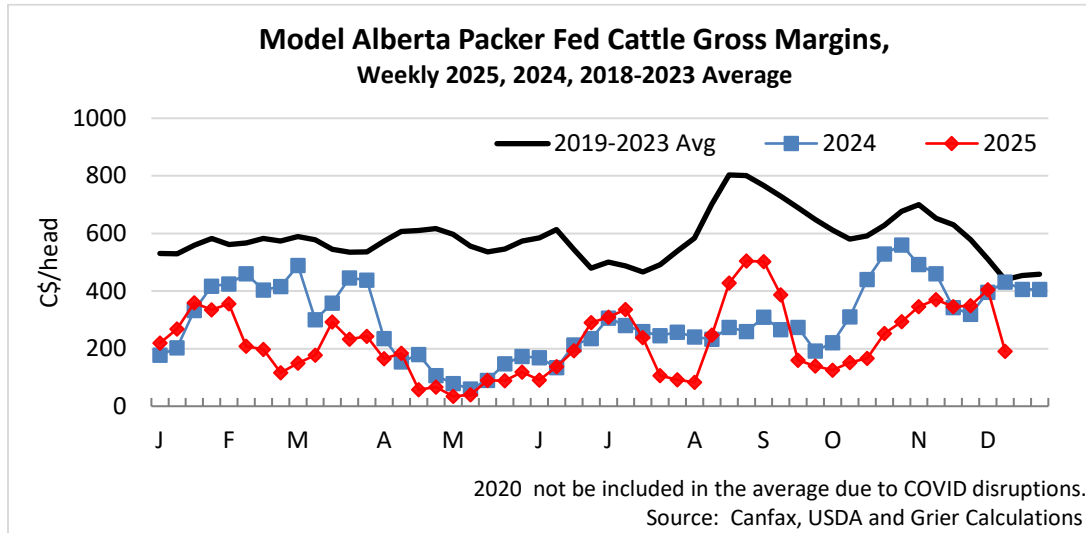
- Canadian fed cattle slaughtered in U.S. plants last week: 9,300 head.
 - Versus same week last year: (1,500) head.



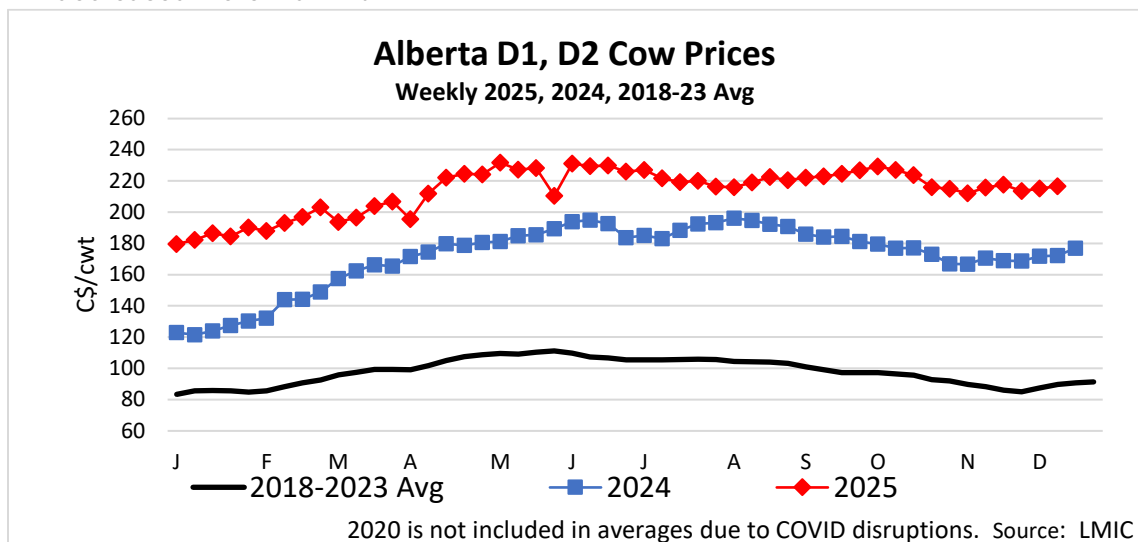
- The following table shows the procurement method breakdown of Canadian fed cattle slaughtered in U.S. plants.

Canadian Cattle Slaughtered in U.S. Plants				
	Procurement Method Share of Total Imports			
	Contract	Formula	Negotiated Cash	Negotiated Grid
Latest four week avg	52%	24%	4%	20%
Same Weeks 2020-2024	56%	24%	7%	14%

- By the time the year is over, there will probably be less than 60,000 Saskatchewan cattle slaughtered in Alberta plants this year. That is down about 40% compared to over 90,000 last year. There were about 105,000 in 2023 and 108,000 Sask cattle in 2022.
- There will probably be about 36,000 Quebec cattle slaughtered in Ontario plants this year. That is up more than 20% compared to last year's 29,000 head.
- Alberta packer model gross margins sank hard with the higher cattle costs and weaker cutout.

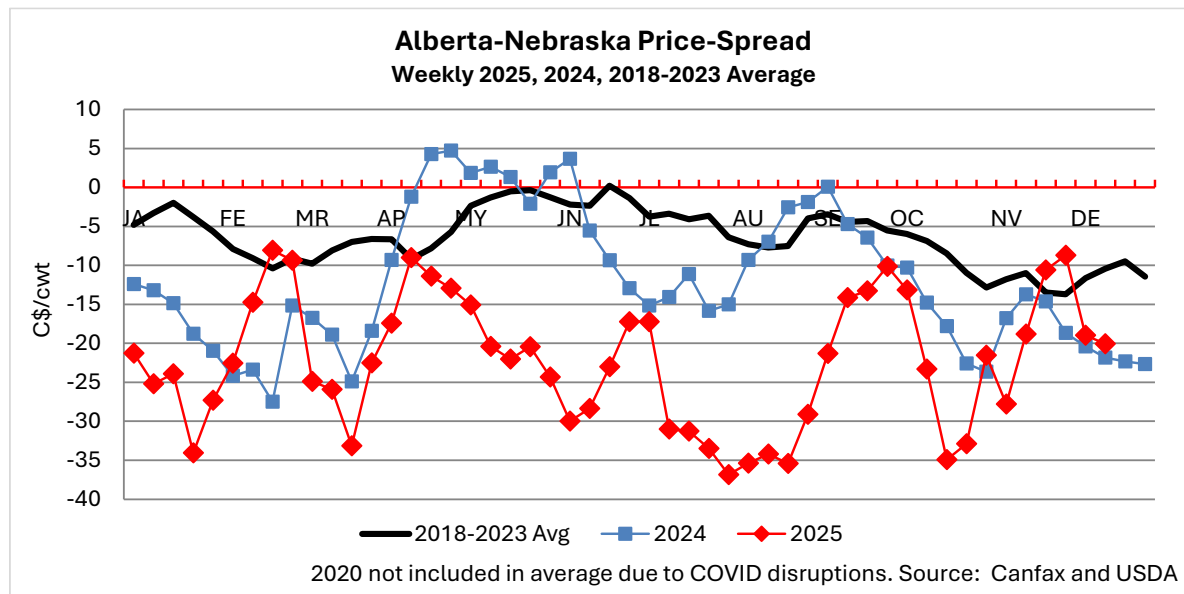
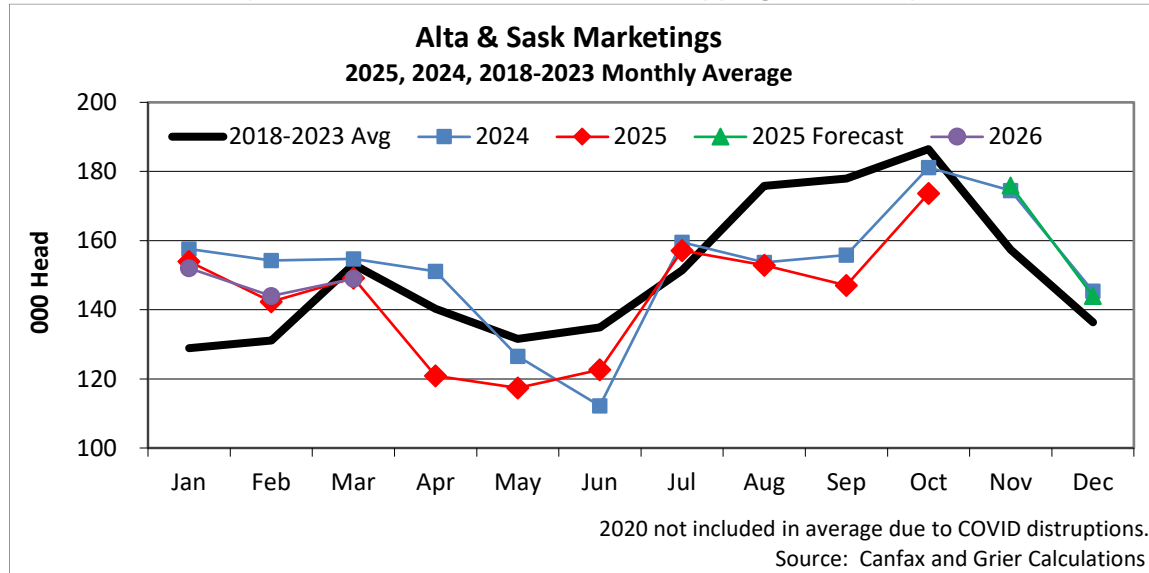


- Model Alberta packer cow margins remain exceptionally poor, much worse than fed margins. Cow pricing normally tanks at this time of year. Instead prices are close to spring prices, which are normally the peak of the year. Cow costs have increased 2% since the beginning of November while the cow cutout and lean trimmings have decreased more than 2%.

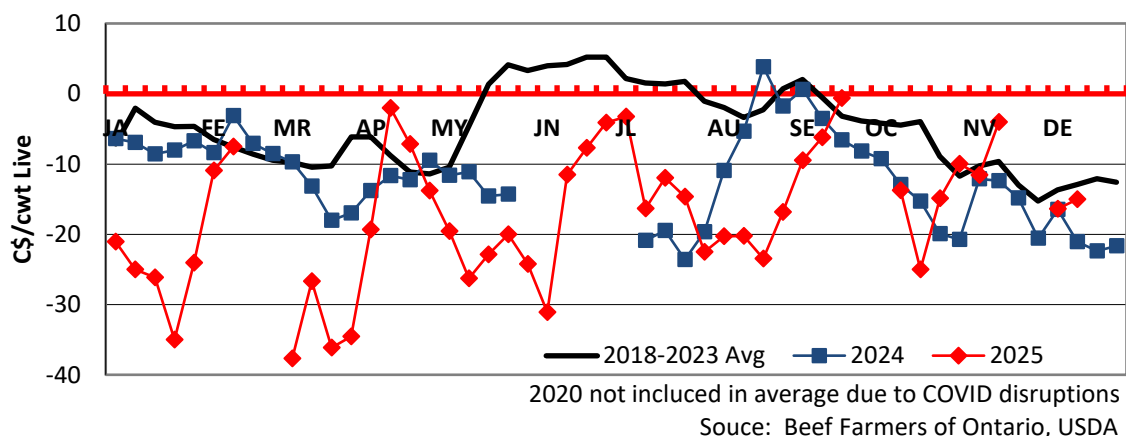


- Based on the placement tallies for the past several months from the Canfax Cattle on Feed Report, year over year placements in the past six months have been the same as in 2024. Based on the placement tallies and resulting marketing projections, fed cattle

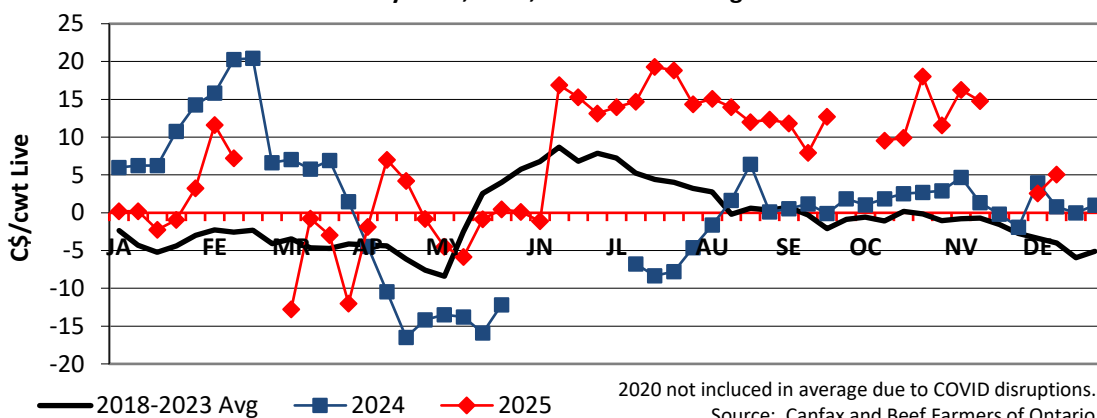
availability should be about steady with last year for this week and next. First quarter 2026 availability should be similar to 2025 before dipping a little in April.



Ontario-Nebraska Fed Steer Price-Spread
Weekly 2025, 2024, 2018-2023 Average



Ontario-Alberta Fed Steer Price-Spread
Weekly 2025, 2024, 2018-2023 Average



Quarterly or Monthly Forecast Review and Grade

September 2 edition of this report was the first to have a forecast for November. At that time, the forecast was for a November average of \$236. The actual average for November was nearly \$221. Grade on the call, "F."

Two-Week Forecast Review and Grade

"I don't like the cattle feeder's leverage position. The cattle are very big, even by 2025 standards. They won't do well in the northern feeding regions. At the same time, the packer inventory position is weak, even if they do have plenty of contracts this month. The big thing though is that Friday's cash purchases were \$9 stronger than Wednesday. That sends a screaming message about packer needs. Plus packer margins are finally in the black and they will have orders to re-fill after Thanksgiving. Time is now for holiday ribs and tenders. I look for the cattle feeder to hold and receive another \$5. **U.S. call two week average: \$222.**" The actual two week average went up more than I expected, settling just over \$224.50.

Nevertheless, I did call and aggressive increase. Plus, I get extra grades for calling a reversal of the downtrend. Grade on the call: "A".

The Next Two Weeks

Packers bought plenty of cattle, but their inventories look only average. The cutout is down but the futures started the week firmer. Packers have two weeks of very low kills coming given where Christmas and New Years sit in the week. Front end supplies are always abundant this year but lately they might be getting a little problematic. Despite that, showlists for this week are reportedly sharply lower. Weather is likely to get sloppy, which could stall performance. I think that prices will hold steady over the next two weeks. **U.S. call two week average: \$228.**

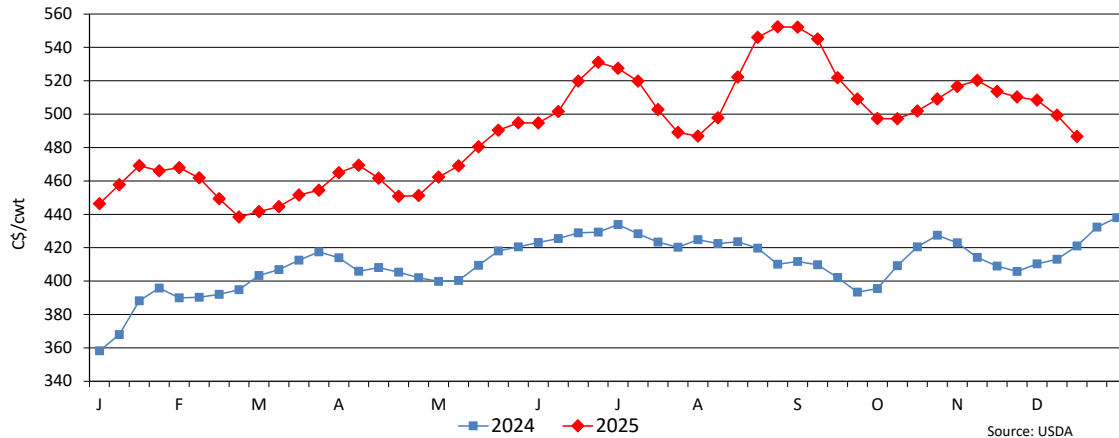
U.S., Alberta and Ontario Fed Steer and U.S. Slaughter Forecasts							
	U.S. TOTAL Slaughter % YOY	Grier Five- Area Forecast	Live Cattle Futures	Alta-US Live Spread	Ont-US Live Spread	Grier Alta Rail	Grier Ont Rail
@0.73							
Next Two Weeks	-5	228	231	-17	-14	495	500
January	-5	229	--	-14	-10	502	509
February	-6	229	231	-14	-10	502	509
Q2 2026	-4	230	227	-8	-8	514	514
Q3 2026	-1	229	220	-8	-8	512	512
Q4 2026	-3	221	218	-8	-8	494	494

Forecast Notes

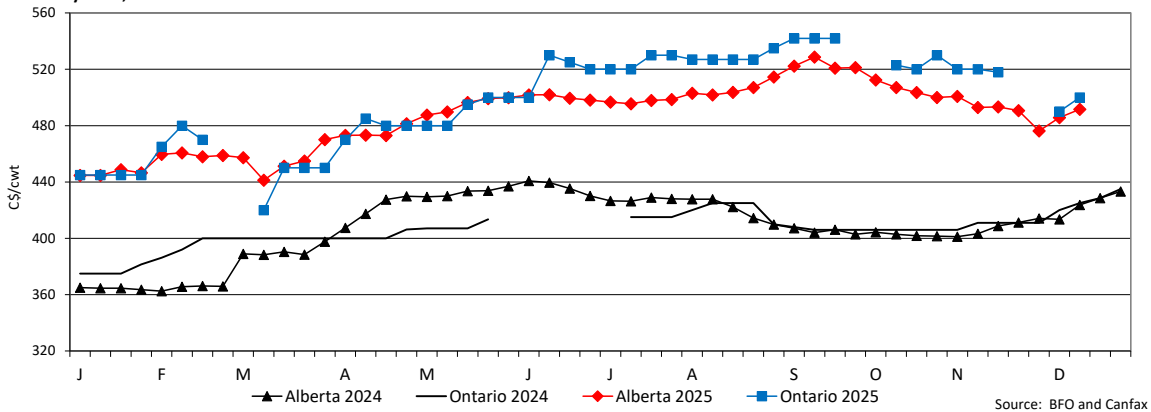
Assuming no other plant folds, I am expecting to see the futures continue to firm. I am especially at odds with the board in the 3rd quarter.

If you have any questions, comments, ideas for improvement on content, suggested topics, or if you want discuss the market, please contact me at, 519-823-9868.

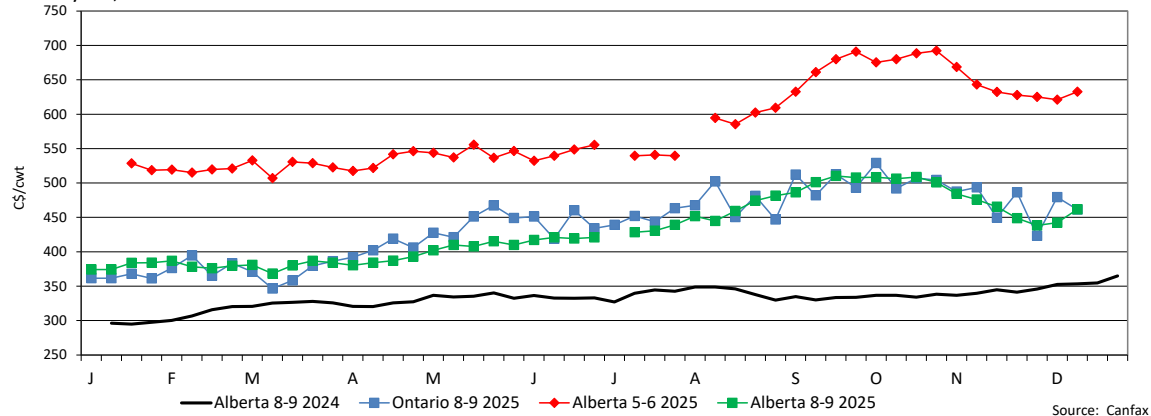
USDA Choice/Select Cutout Average in C\$ Weekly 2024, 2025



Alberta and Ontario - Fed Steer Prices, Dressed
Weekly 2024, 2025



Alberta and Ontario - Feeder Steer Prices
Weekly 2024, 2025



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