2026-09-21 Honest Cattle® Weekly Market Forecast

Week ending September 19, 2026

Prepared by Dirk Adams with the assistance of AI

HONEST CATTLE MARKET INDEX

133.3

down this week (-2.8) · 33% above 2024*



07/04/2026 145.1 → 09/19/2026 133.3
-11.8 over 10 weeks
buyers are already paying for Mar 2027 delivery at 130.3

Executive Summary

The market gave back most of last week's rally, and then on Friday afternoon USDA handed ranchers the strongest forward number of the year. October feeder cattle futures fell $9.00. October live cattle fell $3.75. Wholesale beef fell, and the premium buyers pay for Choice-grade beef over Select narrowed by $4.80 — the single most useful quality signal this report follows, moving the wrong way. Then the Cattle on Feed report landed: feedlots took in 1.617 million head during August, down 9 percent from a year ago and the lowest August in the thirty years USDA has kept the series. Those cattle are the beef supply of next spring, and there are fewer of them than there have ever been. That is the tension in this week's report. The near-term tape got worse and the forward supply picture got better, and the two very nearly cancel. Honest Cattle is holding its Montana calf price bands for a second week — the fourth hold after three straight price cuts. One thing quietly improved that is worth more to a rancher than it looks: because feeder prices fell harder than fed cattle prices, the feedlot's own arithmetic got about $22 a head better. The feedlot is who bids on your calf, and a buyer whose math works is a buyer who bids. Correction this week: part of the drop in our own market index is a calendar artifact, not a market move, and we explain it in Section 1. Sentiment holds at 5.0 out of 10.

HCMI: 133.3, running 33.3 percent above the 2024 average, week ending September 19, 2026. Down 2.8 points on the week. The index is a provisional print — the two futures legs are current to Friday's close, the two Montana cash legs are still carried at the most recent statewide USDA figure, which posts Monday or Tuesday. **About a third of that 2.8-point drop is not a market move at all.** The September feeder cattle contract expires this month, so the index rolled to October. Last week's reading used September feeders at $337.83; this week's uses October feeders at $323.50. Comparing October to October — the honest like-for-like — the index fell about 2.0 points, not 2.8. Section 1 shows the arithmetic and says what we are doing about it. **The forward curve fell across the board:** October 128.7, November 127.3, December 126.6, January 2027 128.3, February 2027 130.2, March 2027 130.3. Every one of the six months is down about two points from last week — the exact mirror image of last week, when all six rose together. That curve is built only from prices somebody has already paid: deferred futures settlements and real forward-delivery video sales of Montana calves. It is the market's own read on the next six months, not Honest Cattle's forecast. Full methodology and how to read it: honestcattle.net/2026/06/23/montana-cattle-index.

- **1. Market Overview and the HCMI.** Where the index stands, why part of this week's drop is a contract roll rather than a market move, and what buyers have already paid for cattle to be delivered over the next six months. All six months fell.
- **2. Quarterly Forecast.** All three near quarters HELD for a second week. The scorecard that grades our own past calls, what it says this week, and the one correction we are logging.
- **3. Futures and Corn.** Feeders fell $9.00, corn barely moved, and the feeder/corn ratio slipped to 61.3 from 62.7. Still inside the normal range.
- **4. Futures and Options.** Who actually owns the bets in cattle and corn, read straight off Friday's government release. The funds hold the biggest corn long in eleven years. Plus this week's price-insurance floors.
- **5. Cash Fed Cattle.** 41,379 head sold in the 8-State Region at $222.82 live. Volume is holding up; the price is not.
- **6. Montana Auctions.** Three barns sold in the window — Miles City Tuesday, Public Auction Yards Wednesday, Billings Thursday, 3,195 head together. Billings yearlings fell about $12. Full roster below and every week at honestcattle.net/montana-weekly-auction-results.
- **7. Video Auctions.** Western Video Market sold 1,780 head of 600-to-649-pound steers Wednesday at $439.27. That is a regional price for forward delivery, not a Montana spot bid, and the gap to the barn is the story.
- **8. Feedlot profitability.** The good news hiding in a down week. Because feeders fell harder than fats, the feedlot's loss on a Montana yearling narrowed by about $34 a head.
- **9. Boxed Beef.** Choice beef fell $3.91, Select rose 89 cents, and the gap between them narrowed $4.80. Buyers paid less for quality this week. The packer's gross margin compressed $9.50.
- **10. Slaughter and Packers.** 529,000 head, back up 4.8 percent on the week and now only 5.4 percent under a year ago — a much smaller gap than last week's 11.9 percent.

- **11. Weather.** Dry and warm across Montana with almost no rain in the seven-day. The featured mover this week is the state as a whole drying out again after two wet weeks.
- **12. Moisture and Range.** The drought index fell again, to 148 from 156. Three straight weeks of improvement. Severe and extreme drought essentially unchanged.
- **13. Range Forage.** Five numbered marketing decisions with dollar consequences, including what the record-low placement number does to the case for holding calves.
- **14. Bred and Cull Cattle.** Montana's replacement ring was almost entirely open cows this week — 69 percent stock cows across 203 head. Plus a finding on the cull-cow number inside our own index.
- **15. Screwworm.** The southern border is reopening in phases. Douglas, Arizona took cattle again in August and no new United States case has been confirmed since June.
- **16. Imports and Policy.** The 90-day labeling review clock is running. December 3 is the date to watch, and there is still nothing in it that moves a calf bid this year.
- **17. Grid Pricing.** The worked example, and the 12-month Choice/Select table with every row labelled by where it came from.
- **18. Rancher Share.** 51.1 cents of every retail beef dollar reached the ranch in August — unchanged, and still comfortably above the five-year average. We caught our own data feed running a month behind and went to the USDA file directly.
- **19. Sentiment.** Held at 5.0 out of 10, with the full signal table that the score has to reconcile against.
- **20. Risks.** What could break next week, in order of how much it would cost.
- **21. Hay Prices.** A fresh USDA report at last. Hay sold generally steady, and what that means for a cow wintered on purchased feed.
- **22. Sources.** Every report and date used in this edition.
- **23. Comparison to Prior Week.** Every number in this edition against last week's, line by line.
- **24. Appendix A — Cattle on Feed, the deep read.** What a record-low August placement number actually means, how it lines up with a herd at a 75-year low, and the parts of it that are not bullish.
- **25. Appendix B — Cattle on Feed against the Honest Cattle rubric.** The same report graded on our own five tests: is it new information, is it measured or modelled, does it move a Montana calf bid, when, and by how much.

What's New in Honest Cattle

A major USDA report landed inside this week, so it carries appendices. The Cattle on Feed report released Friday, September 18 is the most consequential scheduled release of the quarter, and August placements came in at a thirty-year low. Appendix A is the deep read; Appendix B grades it against the Honest Cattle rubric. Both sit at the end of this edition.

We caught a flaw in our own market index and are telling you about it rather than quietly fixing it. The Honest Cattle Market Index compares this week's feeder cattle futures price to last week's. When one futures contract expires and the next takes over — which happened this month — those two prices are not the same thing, and the index reads the difference as a market move when it is really a calendar change. It cost about 0.9 of the 2.8 points the index lost this week. Section 1 shows the arithmetic. The fix is to hold one contract steady across the comparison, and it is on the list.

Last week's index number moved after we published it. We printed 133.9 for the week ending September 5 and flagged it as provisional. When USDA posted the Montana auction figures the index reconciled to 133.1. That is the provisional system working as designed, but a number that changes after publication is a number worth pointing at, so we are pointing at it.

Every figure in Section 4 now comes straight from the government's own Friday release. Who holds the long and short side of the cattle and corn markets is public federal data, published every Friday afternoon. This report reads it at the source. That is a standing change, not a one-week arrangement.

Forecast Research

1. Market Overview and the Honest Cattle Market Index

1.1 The Index This Week

Honest Cattle Market Index: 133.3, week ending September 19, 2026, computed September 20. The base is the 2024 calendar-year average set to 100, so 133.3 means Montana cattle revenue conditions are running 33.3 percent above what they averaged in 2024. One point equals one percent of that 2024 average. The index fell 2.8 points on the week. Rising means improving price conditions. It measures revenue conditions, not profit, and it is neither advice nor a forecast. Full methodology: honestcattle.net/2026/06/23/montana-cattle-index.

This is a provisional print. The index has four legs. Two are futures prices and are current to Friday's close. Two are Montana cash prices — the 600-to-650-pound steer and the boner cull cow — and those come from a USDA statewide report that posts Monday or Tuesday for the week that just ended. On a Sunday build they are carried at their most recent printed value. The index reconciles when USDA posts.

1.2 Correction this week: part of the drop is a calendar change, not a market move

Here is the problem, in one sentence: the index compared a September futures price to an October futures price and reported the difference as if the market had fallen that far. Feeder cattle futures trade in separate monthly contracts. The September contract expires this month, so the index's feeder leg rolled to October. Last week's reading used September feeders at $337.83. This week's uses October feeders at $323.50. That looks like a $14.33 collapse. It is not. October feeders themselves went from $332.50 to $323.50 — a fall of $9.00, which is real and is bad enough. The other $5.33 is just the gap between two different contracts.

What it cost. The feeder leg carries 42.1 percent of the index. Rerunning last week's index with October feeders in place of September gives 135.2 rather than 136.1. So the honest like-for-like week-over-week move is **down about 2.0 points, not down 2.8**. Roughly 0.9 points of this week's decline is a contract roll. A smaller version of the same thing happened on the live cattle leg, which picked up the December contract this week where it had been using October; that one is worth about a tenth of a point and does not change anything.

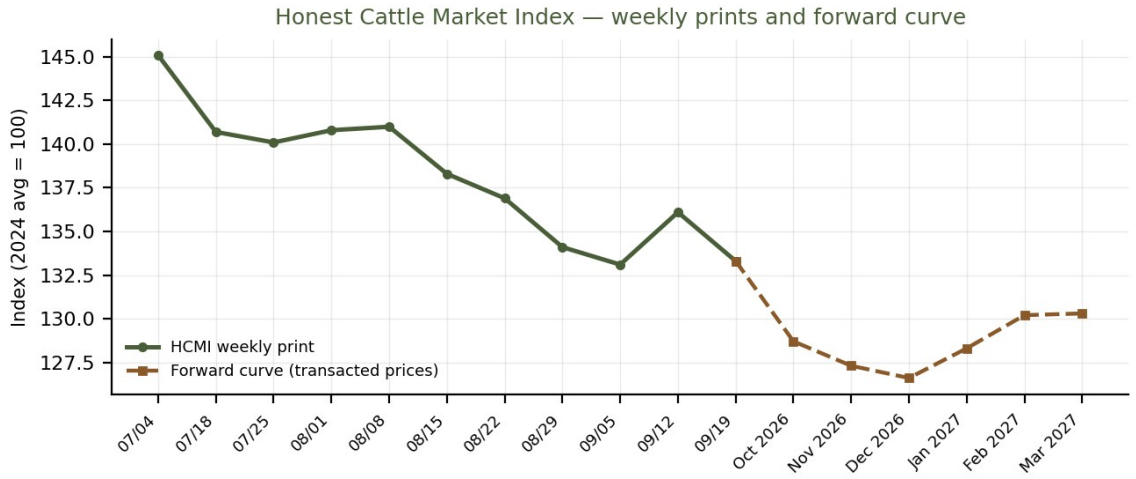
What we are doing about it. The fix is standard and not difficult: hold the same contract on both sides of the comparison, and when a roll is unavoidable, adjust for the gap rather than printing it as a price change. It goes on the build list this week. Until it ships, every edition will state the roll effect in plain numbers, as this one does. The published history is not being restated — the numbers in the chart are the numbers we printed, and rewriting them after the fact is exactly the habit this report exists to avoid.

One more number moved after we published it. The September 14 edition printed 133.9 for the week ending September 5 and flagged it as provisional. When USDA posted the Montana figures, that week reconciled to **133.1**. The chart below carries the reconciled value. The week ending September 12, which no edition has published before, came in at 136.1.

1.3 The Forward Curve — What Buyers Have Already Paid

The forward curve is the same index projected six months out, and every leg of it is a price somebody has already transacted: deferred futures settlements, plus real forward-delivery video sales of Montana calves. It is the market's pricing, not Honest Cattle's forecast.

Month	Forward HCMI	Feeder contract	Live contract	Montana steer leg
October 2026	128.7	GFV26 $323.50	LEV26 $215.93	video, $418.37 on 2,283 head
November 2026	127.3	GFX26 $318.00	LEZ26 $216.62	video, $410.63 on 1,105 head
December 2026	126.6	GFF27 $308.92	LEZ26 $216.62	video, $422.50 on 300 head
January 2027	128.3	GFF27 $308.92	LEG27 $217.35	video, $445.00 on 215 head
February 2027	130.2	GFH27 $304.83	LEG27 $217.35	carried, $481.74
March 2027	130.3	GFH27 $304.83	LEJ27 $218.23	carried, $481.74



The curve fell across the board, and it is the exact mirror of last week. Seven days ago every one of these six months rose about two points together, which had never happened before. This week every one of them fell about two points together. October went from 130.8 to 128.7, March 2027 from 132.4 to 130.3. When the whole curve moves as a block like that it is usually the futures board doing the work rather than any change in what ranchers are actually being paid, and that is what happened: the video legs are unchanged because no new Montana video sale settled into these delivery months this week, while the deferred board fell four percent.

The Montana steer legs are genuinely Montana. Every video lot counted above has a published shipping or delivery point in Montana. That is a deliberate difference from the USDA video reports used in Section 7, which pool Montana into a seven-state region and cannot be filtered by state of origin. The February and March legs are carried rather than transacted, because no forward-delivery Montana lots have sold into those months yet; they are labelled as carried and always will be.

How to read the shape. Every forward month sits below today's 133.3. Buyers are paying for cattle delivered this winter as though conditions will be modestly softer than they are right now. The dip through December and the climb back through February and March is the ordinary seasonal shape — the fall run floods the market, then supply thins.

2. 2026 Montana Quarterly Forecast

Honest Cattle's Montana quarterly weight band prices are **HELD across all three near quarters** for a second consecutive week, unchanged from the September 14 edition. They are published in two tight weight classes, 550–599 lb and 600–649 lb, steers and heifers priced separately, and the table runs through Q4 2027.

Quarter	Band	Status	Steer Range	Steer Mid	Heifer Range	Heifer Mid
Q3 2026	550–599 lb	HELD	460–495	477	435–470	452
Q3 2026	600–649 lb	HELD	435–465	450	410–440	425
Q4 2026	550–599 lb	HELD	443–478	460	418–453	435
Q4 2026	600–649 lb	HELD	413–448	430	388–423	405
Q1 2027	550–599 lb	HELD	445–480	462	420–455	437
Q1 2027	600–649 lb	HELD	415–450	432	390–425	407

2.1 What These Prices Assume

A forecast price is meaningless without the cattle it describes. Every assumption below moves the price, and several are inside a producer's control.

- **Weaned, minimum 45 days.** Not fresh off the cow. This is the single biggest assumption in the list.
- **Load lots** — a uniform, full-truckload group, not singles and not a handful sorted out of a mixed consignment.
- **Montana-origin**, with health papers current.
- **Steers and heifers priced separately**, in the stated weight class, at the weight actually weighed.
- **FOB the auction**: the price at the barn, buyer paying freight from there.
- **Dollars per hundredweight, quarterly average** — the expected level across the whole quarter. Individual sales will print above and below.
- **Commodity cattle.** No age-and-source, NHTC, all-natural or branded-program premium is built in.

The gap between those cattle and barn-run calves is about $40 to $50 per hundredweight — $240 to $300 a head on a 600-pound calf. That figure was re-derived from Montana's own prints in the September 14 edition, where it replaced a $60-to-$80 number this report had been carrying without re-checking. It is unchanged this week and this week's data does not contradict it: Western Video Market's Montana-relevant 600-to-649-pound steers brought $439.27 on Wednesday while Montana barn calves in the same weight class brought $369.93. That is a $69 gap, but the video figure is a seven-state regional average for forward delivery and the barn figure is a 26-head spot sample, so it is a wider and weaker comparison than the one behind the $40-to-$50 number. We are not moving the figure on it.

2.2 Why HELD, for a Second Week

The case for cutting again. The tape gave back most of last week's rally. October feeders fell $9.00, October live cattle fell $3.75, the Choice–Select spread narrowed $4.80, the packer's gross margin compressed $9.50, every month of the forward curve fell about two points, and the price-insurance floor a rancher can buy for December delivery dropped $10.69. That is six things moving the wrong way at once.

The case for holding. On Friday the Cattle on Feed report put August feedlot placements at 1.617 million head, down 9 percent from a year ago and the lowest August in the thirty years USDA has kept the series. Those cattle become beef in the spring. Fewer of them means a tighter fed-cattle market when this fall's calves come off feed, and it is the single most durable forward fact in this edition. Alongside it, the feedlot's own arithmetic improved by about $22 a head this week precisely because feeders fell harder than fats — the buyer's math got easier, which is what has to happen before the buyer bids up.

Why that argues for holding rather than moving either way. The bad news is near-term and the good news is forward, and the bands being held are a Q3 that is nearly over and a Q4 and Q1 that sit squarely in the window the placement number governs. Cutting the bands on a weak tape while the supply fundamental strengthens would be trading noise against signal. Raising them on a week the board fell nine dollars would be worse. Four holds after three cuts is not indecision; it is the level we cut to holding up under pressure from both directions.

2.3 2027 Extension — Q2 through Q4 2027

The three quarters in the main table are Honest Cattle's own forecast. The three below are the market's — deferred CME feeder-cattle settlements converted into Montana calf bands using the ratio our published quarters imply.

What that ratio is, since a reader ought to be able to check it. It is simply the Montana 550–599 lb steer band divided by the feeder futures contract covering the same quarter. Our published Q3 2026 band of $477 against September feeders at $337.83 gives **1.412** — a Montana calf of that weight runs about 41 percent above the board, because the board prices a 700-to-800-pound feeder and lighter cattle always sell for more per hundredweight. **Q3 2027 uses that same 1.412. Q2 2027 uses 1.43**, which is what our published Q2 2027 band implied when it was set. Q4 2027 has no contract of its own with meaningful trade, so it is carried down from Q3 2027 on a factor of **0.948**, the same Q3-to-Q4 step the published table used. Multiply any settlement below by its ratio and you will land on the mid in the table.

Quarter	Band	Source	Steer Range	Steer Mid	Heifer Range	Heifer Mid
Q2 2027	550–599 lb	board-derived	410–460	435	385–435	410
Q2 2027	600–649 lb	board-derived	380–430	405	355–405	380
Q3 2027	550–599 lb	board-derived	404–454	429	379–429	404
Q3 2027	600–649 lb	board-derived	374–424	399	349–399	374
Q4 2027	550–599 lb	extrapolated	377–437	407	352–412	382
Q4 2027	600–649 lb	extrapolated	347–407	377	322–382	352

These rows are rebuilt on Friday, September 18 settlements. Each 2027 quarter is the average of its two deferred feeder contracts, multiplied by the calf-to-futures ratio the published near quarters imply. Here is every settlement behind them, against the prior Friday:

Contract	Sep 18	Sep 11	Change
April 2027 (GFJ27)	$304.75	$317.27	−$12.52 (−4.0%)
May 2027 (GFK27)	$303.85	$316.17	−$12.32 (−3.9%)
August 2027 (GFQ27)	$305.18	$316.67	−$11.50 (−3.6%)
September 2027 (GFU27)	$303.00	$314.05	−$11.05 (−3.5%)

The whole deferred board came down about four percent, and the 2027 rows came down with it. The Q2 2027 mid falls from $453 to **$435**, Q3 2027 from $445 to **$429**, and Q4 2027 from $422 to **$407**. Those moves are smaller than the four percent the contracts lost because the ratio holding them to our published quarters did not change — only the board did.

What that means and what it does not. These are the market's numbers, not Honest Cattle's forecast. Nobody is forecasting a Montana calf price for the summer of 2027; traders are pricing feeder cattle eighteen months out, and this table converts that into what a Montana calf would be worth if today's relationship between the board and the barn still held. It will not hold exactly. The ranges are deliberately wider than the near quarters — plus or minus $25, and $30 on Q4 2027 — and the Q4 2027 row is extrapolated off Q3 rather than read off a contract, because September 2027 is the last feeder month currently listed with meaningful trade. Treat the 2027 rows as the board's opinion, dated, and nothing firmer than that.

2.4 Bred Females and Cull Cows — Quarterly Prices

Quarter	Bred Heifer ($/hd)	Bred Cow, young 2–4 yr ($/hd)	Bred Cow, running age 5–8 yr ($/hd)	Cull Cow, boner ($/cwt)
Q3 2026	2,765	2,840	2,130	161.89
Q4 2026	2,670	2,735	2,055	144.60
Q1 2027	2,680	2,750	2,065	148.50
Q2 2027	2,630	2,695	2,025	159.21
Q3 2027	2,580	2,650	1,985	157.68
Q4 2027	2,450	2,510	1,885	140.84

The bred-cow row is now two rows, and that change is worth explaining. Until this week this table carried a single figure labelled "running age." It was never anchored on a running-age animal — it was a carried placeholder — and it averaged away a spread of $710 a head between a young bred cow and an aged one. One number cannot describe both. It now does not try.

What Montana actually paid this week. Thirty-seven head of bred cows traded at Public Auction Yards on Wednesday and Billings Livestock on Thursday, and the range across them is the whole point:

- **Young bred cows, two to four years old: $2,838 across 32 head.** The quality end of that — Medium and Large 1, first trimester — brought **$3,210.51 across 12 head** at Public Auction Yards, the top Montana bred print of the week.
- **Running-age bred cows, five to eight years old: $2,130 across 5 head.** Five head is a thin test and this figure should be treated as indicative until Montana trades more of them.
- **Bred heifers: nothing.** Not one bred heifer sold in Montana this week. That row is still carried at the $2,766.73 print across 50 head from the week ending August 29, and it will stay carried, and stay labelled carried, until Montana produces a real one.

How the quarters are built from those anchors. There is no bred-cow board and no cull-cow board, so each anchor is scaled across the six quarters by that quarter's 550–599 lb steer band — the same method this table has always used. A real Montana print replaces the rule for any cell in the week that print exists, which is exactly what happened here: the two bred-cow rows are this week's own numbers, not last week's carried forward.

One cull cell is running high and we are flagging it rather than waiting. The Q3 2026 cull-cow figure of $161.89 was anchored on the return-to-feed boner print at the end of August. This week's return-to-feed composite across the three reporting barns runs near $150, and the straight average-dressing composite runs $142.75. Q3 has one sale week left, so we are not restating the quarter — but if the Q4 2026 figure of $144.60 needs moving, it will move down, not up.

What the $710 spread is telling a rancher. The market is paying a large premium for breeding age, not for a bred cow as such. A four-year-old in her first trimester is worth roughly a third more than a seven-year-old carrying the same calf, because the buyer is pricing the calves still ahead of her. If you are selling breds this fall, sort by age before you sort by anything else. If you are buying, the aged end is where the value is — and the reason it is cheap is the reason it is risky.

2.5 Forecast Accuracy & Calibration

This sub-section exists so a rancher knows how much weight to put on the band above. We grade our own past calls in print, every week, whether the result flatters us or not.

Corrections this week. One, and it is in our market index rather than in a price forecast: the HCMI compared two different futures contracts across a month-end roll and reported the gap as a market move, costing about 0.9 of the 2.8 points the index lost. **Section 1.2 has the full explanation and the corrected like-for-like figure.** A second item is a disclosure rather than an error: the September 5 index we published at 133.9 reconciled to 133.1 when USDA posted, which is the provisional system working as designed. A third is a correction to a published table: the bred-female row labelled "running age" was a carried placeholder that had never been anchored on a running-age animal, and it averaged a $710 spread into one misleading figure. **It is now two rows, rebuilt on this week's own 37 head of Montana bred-cow trade — see Section 2.4.** No calf price band, sidebar coefficient or source citation from a prior edition required correction this week.

The scorecard, and the measurement problem still inside it. The September 14 edition logged a correction that has not yet been fixed in the machinery: our accuracy file pairs the band — which describes weaned, full-load calves — against a realized Montana auction average made up mostly of unweaned calves sold a few at a time. Those are two different populations roughly $40 to $50 per hundredweight apart. The numbers below are therefore measuring our forecast plus that gap, not our forecast. They are printed as the file computes them, with the caveat attached, until the class filter ships.

```
FORECAST ACCURACY — steer band midpoint vs realized Montana auction average
Pairs (n):              8   (threshold for significance: 8 — just reached)
Bias:                -$33.13/cwt   (we forecast HIGH)
Mean percentage error:    -8.67%
Mean absolute deviation:  $43.96/cwt
Mean squared error:       3,020
Root mean squared error:  $54.96/cwt
Calibration:              actual = -778.52 + 2.548 x forecast,  R-squared 0.51
CAVEAT: forecast describes weaned load lots; realized series is barn-run.
        Class mismatch is worth roughly $40-50/cwt of the bias above.
```

What each of those means, in plain English.

- **Bias, −$33.13 per hundredweight.** On average our band's midpoint has sat $33 above what the Montana auction average actually printed. On a 575-pound calf that is about $190 a head. Most of it is the class mismatch described above; some of it is a real miss.
- **Mean percentage error, −8.67 percent.** The same lean expressed as a fraction of price. It points the same direction as the bias, which means the misses are not cancelling out — we run high systematically, not randomly.
- **Mean absolute deviation, $43.96.** The typical miss in a normal week, direction ignored. This is the headline accuracy number: in an ordinary week our midpoint is off by about $44 either way.
- **Mean squared error, 3,020.** Not in dollars and not meant to be read directly. It exists to punish big misses harder than small ones and to feed the next number.
- **Root mean squared error, $54.96.** The big-miss-sensitive cousin of the mean absolute deviation, back in dollars. It runs 25 percent above the MAD, which says a few large busts are dragging the average rather than our misses being evenly sized. The three September pairs, all between $79 and $89 off, are those busts — and all three are the weeks where the class mismatch bites hardest.
- **Calibration, slope 2.548 and R-squared 0.51.** A well-calibrated forecast has a slope near 1: move our number a dollar and reality moves a dollar. A slope of 2.5 says realized prices have swung two and a half times as far as our band did, which is the signature of a forecast that under-reacts. The R-squared says our forecast explains about 51 percent of the swing in realized calf prices. On eight pairs, neither figure is stable.

2.6 How Far the Forecast Has Moved Since We First Froze It

A forecast graded only against its own latest revision is a description, not a forecast. So we freeze every published band and keep it, unrevised, forever. The ledger starts with the edition of **July 6, 2026** — the first week the table published in the split-band format. Here is every band as it stood that day against where it stands today, ten weeks later.

Quarter	Band	Steer: Jul 6 → now	Heifer: Jul 6 → now
Q3 2026	550–599 lb	$518 → $477 (−$41)	$492 → $452 (−$40)
Q3 2026	600–649 lb	$485 → $450 (−$35)	$462 → $425 (−$37)
Q4 2026	550–599 lb	$498 → $460 (−$38)	$472 → $435 (−$37)
Q4 2026	600–649 lb	$468 → $430 (−$38)	$442 → $405 (−$37)

Quarter	Band	Steer: Jul 6 → now	Heifer: Jul 6 → now
Q1 2027	550–599 lb	$492 → $462 (−$30)	$468 → $437 (−$31)
Q1 2027	600–649 lb	$462 → $432 (−$30)	$438 → $407 (−$31)

Every one of the twelve bands is lower, and the average move is −$35.40 per hundredweight. On a 575-pound calf that is **$204 a head**. That is the number a rancher who read our July 6 edition and planned around it needs to see, and it is exactly the number a report that only ever shows its current forecast would never have to show.

Read the pattern, not just the size. Q3 2026 came down hardest at $35 to $41 — it was the quarter closest to hand, so reality arrived first and arrived fastest. Q1 2027 moved least at $30 to $31. A forecast that moves more in the near quarter than the far one is behaving the way it should: new information ought to hit the quarter it actually concerns. A forecast where the far quarters moved hardest would be a forecast chasing sentiment.

What it does not tell you. Drift is not error. These twelve numbers say how far we moved, not whether we were right to move — realized prices grade that, and that is the scorecard above. A forecast that never moved would show zero drift and could still be wrong every week. The two measures answer different questions and this report will keep printing both.

What comes next for the scorecard. Two things, in order. First, the class filter, so the band is only ever graded against cattle of the kind it describes and weeks with no qualifying Montana trade are reported as unscoreable instead of scored against whatever happened to sell. Second, once we have logged enough weeks of the five signals this report tracks, we will test which of them actually move the Montana calf bid and by how much, and publish the result — including the possibility that some of the rules of thumb in our sidebars turn out to be wrong. Neither is finished, and we will not print either until it is.

The significance line. Take the midpoint of the band with a grain of salt and lean toward the lower half of the range if your calves are not weaned and not moving as a full load. That is not a hedge; it is what the bias number is telling you once the class mismatch is understood. For weaned load-lot cattle sold in a uniform group, the band is the band.

Definitions. n — number of paired forecast-and-actual observations. Bias — average error with its sign kept; negative means we forecast high. MPE — mean percentage error, the same directional lean as a percentage. MAD — mean absolute deviation, the average miss with the sign discarded. MSE — mean squared error, the average of squared misses. RMSE — root mean squared error, the square root of MSE, back in dollars per hundredweight. R^2 — the share of variation in realized prices that our forecast explains, from 0 to 1.

3. CME Futures and Corn

Corn first, because corn leads — and this week corn did essentially nothing. December corn settled at **$5.27½ per bushel** on Friday, September 18, down three cents on the day and down two and three-quarter cents on the week from $5.30¼. That is a half-percent move. For the second week running corn is not the story.

The cattle contracts are. October live cattle settled at **$215.92**, up 27 cents on the day but down $3.75, or 1.7 percent, on the week from $219.67. October feeder cattle settled at **$323.50**, down 87 cents on the day and down **$9.00, or 2.7 percent**, on the week from $332.50. Feeders gave back roughly three-quarters of last week's $12.35 gain in a single week. Fed cattle gave back about half of theirs.

The feeder/corn ratio is 61.3 ($323.50 ÷ $5.275), down 1.4 points from 62.7 a week ago. It is still inside the ten-year band of roughly 55 to 65, and still in the upper half of it. Feeders falling while corn holds flat is a mildly negative combination, but a ratio at 61 is not a warning — it is a normal number.

SIDEBAR — FEEDER/CORN RATIO -> MONTANA CALF BID
This week: 61.3 (Oct feeders $323.50 / Dec corn $5.275)
Prior week: 62.7 · change -1.4 points (10-yr avg ~55-65)
Per 1.0-point move: +/-$0.20-0.35/cwt · +/-$1.20-2.10/head on a 600-lb calf
This week's move: -$0.28 to -$0.49/cwt · -$2 to -$3/head
Direction: MILDLY BEARISH - feeders fell, corn did not
Lag: 1-2 weeks

Reading that sidebar in plain English. The feeder/corn ratio is the price of a hundredweight of feeder cattle divided by the price of a bushel of corn. It answers one question: how expensive are cattle relative to the feed it takes to finish them? Ten years of history put the normal range at roughly 55 to 65. At 61.3 we sit comfortably inside it. Each full point of movement has historically been worth about 20 to 35 cents per hundredweight on the Montana calf bid within a sale week or two. This week's 1.4-point slip is worth two or three dollars a head. That is a rounding error next to the other numbers in this edition.

3.1 Feed-Cost Pass-Through Check

Each 10 percent move up in corn shaves about 2 percent off calf value with fed-cattle prices held constant. **Each 10 percent move up in fed-cattle prices lifts calf value about 14 percent.** That second number is where the calf market's leverage lives — fed cattle move the calf about seven times harder than corn does. It is also why this week's $3.75 decline in live cattle matters more than the three-cent break in corn, and why a rancher watching one number should watch the fed-cattle market, not the grain market.

The current read runs on monthly USDA data through July and has not refreshed since last week. Corn near $4.28 a bushel on a monthly farm-price basis, down 4 percent year over year, and fed cattle up 11 percent year over year, together imply Montana feeder prices about 16.7 percent above a year ago. Montana 600-to-649-pound feeder steers are actually running 16.8 percent above — leaving essentially nothing as herd-cycle scarcity premium beyond what feed and fed-cattle prices already explain. Today's calf price is bought and paid for by cheapish corn and strong fed cattle, not by an extra premium for a small herd.

Method borrowed from Montana State University's Agricultural Marketing Policy Center (John Marsh); the coefficients are Honest Cattle's own, re-estimated on national USDA data from 2000 to the present, with the actual comparison run on Montana auction prices. The model deliberately excludes the herd cycle, drought and packer capacity — that exclusion is what lets it isolate the scarcity premium. It describes an association. It is not a price forecast and it is not advice.

4. Futures and Options Activity

Closing prices are in Section 3. This section is about everything else the paper market says — who owns the bets, how crowded they are, and what the board itself is paying to feed a steer. Closing prices alone tell a rancher almost nothing.

4.1 The Tape

October feeders $323.50, down $9.00 on the week. October live cattle $215.92, down $3.75. December corn $5.27½, down two and three-quarter cents. Everything after this is what other reports do not do.

4.2 Flow Quality

This week's flow read runs on total open interest rather than contract by contract. Open interest is the number of live bets outstanding, and the figure below is the one the government publishes with Friday's release — a coarser measure than a month-by-month breakdown, but a primary one, and it carries the whole of this module's conclusion.

Open interest is the number of live bets outstanding. It fell in both cattle contracts and rose in corn. Feeder cattle open interest fell 2,464 contracts to 59,633, down 4.0 percent. Live cattle fell 12,232 contracts to 282,118, down 4.2 percent. Corn rose 40,501 to 1,843,824, up 2.2 percent. **Price down and open interest down at the same time is liquidation** — people closing out old bets rather than placing new bearish ones. That is a materially less troubling shape than price falling on rising open interest, which would mean fresh money betting against cattle. Nobody piled in short this week; a crowd walked away.

4.3 Ownership — Who Actually Holds the Bets

Every Friday afternoon the government publishes who owns the long and short side of each futures market, as of the previous Tuesday. This week's release covers Tuesday, September 15. The numbers below were read directly off that release. Three groups matter. **The funds** are speculative money managers betting on direction. **The packers and feedlots** are the commercial users — and their short position is insurance on cattle they already own, not a bet the market falls. **The index money** is passive investment that buys commodities as an asset class and mostly sits there.

Live cattle. The funds hold 80,686 contracts long against 32,990 short, a net long of 47,696. That is barely changed on the week, down 1,209 contracts, and it sits at the 35th percentile of the 610 weeks we have archived back to 2015 — bigger than the fund position in about 35 of every 100 weeks since then. In other words the funds are moderately long live cattle and not crowded. The packers and feedlots are net short 86,328 contracts, which is what a hedged commercial sector looks like. Sixty-six fund accounts hold the long side, about 1,223 contracts each.

Feeder cattle. The funds hold 15,775 long against 8,564 short, a net long of 7,211 — down 237 contracts on the week and sitting at the 66th percentile of the same eleven-year archive. The all-time range in that archive runs from 9,589 net short to 36,414 net long, so at 7,211 the funds own a modest position with plenty of room in both directions. Forty-one fund accounts hold the long side, about 385 contracts apiece. This is a small, thinly-traded market: 59,633 contracts of total open interest against live cattle's 282,118.

Corn, and this is the one worth knowing. The funds hold 483,738 contracts long against 69,278 short, a net long of **414,460 contracts — the largest in all 610 weeks of the archive.** It edged past last week's record by a single contract. A hundred and fourteen fund accounts hold that long side, about 4,243 contracts each. The corn market has never, in the eleven years we can measure, had this much speculative money betting one direction.

What that means for a rancher, plainly. The funds are betting corn goes up. Corn going up is bad for calf prices, because expensive feed means a feedlot can pay less for the calf. But a record-crowded position cuts both ways and the second way is the one that matters more. Every one of those 414,460 contracts eventually has to be sold. When a crowd that size heads for the exit, corn falls hard and fast — and cheaper corn is money in a Montana rancher's pocket. Nobody can tell you when. What you can say is that the corn market currently carries an enormous amount of stored downside energy, and a rancher with calves to sell into next spring is on the right side of it when it releases.

Concentration. The four largest traders hold 15.6 percent of the long side and 19.3 percent of the short side of feeder cattle; the eight largest hold 26.6 and 29.2 percent. Live cattle runs 14.3 and 15.2 percent for the top four. Corn, much bigger, runs 9.4 and 12.3. Feeder cattle is the most concentrated of the three, which is ordinary for the smallest market and is worth remembering when it moves a lot on a quiet day.

The single most material ownership fact this week is that the funds barely moved in either cattle contract while prices fell. Managed money cut its feeder position by 237 contracts out of 7,211 — essentially nothing. That says the week's decline was not a speculative attack. Set against Section 4.2's finding that open interest fell alongside price, the picture is consistent: this was old money leaving, not new money arriving. Declines of that kind tend to exhaust themselves sooner than the ones speculators drive.

4.4 The Curve, and What the Board Pays to Feed a Steer

The board's own gross feeding margin is what the futures market is currently paying someone to buy a 750-pound steer, feed him to 1,250 pounds on 55 bushels of corn, and sell him. On Friday's settlements that was **a loss of $17.38 a head**, against a loss of $39.51 a week ago — an improvement of $22.13. It is gross of every non-feed cost, so a real yard is worse off than that, and it should be read as a change rather than a level. **The change is the good news in this edition.** The margin improved for the plainest possible reason: the thing the feedlot buys got $9.00 cheaper while the thing it sells got only $3.75 cheaper. A week that is bad for the man selling calves is, arithmetically, a good week for the man buying them.

On cash basis, October live cattle at $215.92 against the 8-State Region's live price of $222.82 (Section 5) leaves the board trading about $6.90 under cash. Futures below cash at this point in the year says traders expect the fall run to pressure fed cattle before winter tightens supply back up.

4.5 The LRP Corner

What LRP is. Livestock Risk Protection is federal price insurance sold through crop-insurance agents. Economically it works like a put option — it sets a floor under the price — but unlike a futures position it carries no margin calls, and the government pays 35 to 55 percent of the premium depending on how high a floor you choose.

This week's rates, effective September 17, 2026, Montana feeder cattle, steers 600 to 900 pounds. For a December 17 end date, thirteen weeks out:

Coverage	Floor ($/cwt)	Your premium ($/cwt)	Your premium, 600-lb calf
100%	$312.95	$9.20	$55.19
95%	$297.31	$4.48	$26.90
90%	$281.66	$1.77	$10.61

Those floors fell with the board. A 95 percent December floor protected $308.00 last week and protects $297.31 this week — $10.69 lower, for a premium that also fell, from $26.78 to $26.90 per head, which is essentially unchanged. Set that against the rest of the report: the October futures board says $323.50, the Montana video market has already paid $418.37 for Montana calves delivered in October, and Honest Cattle's Q4 band for a 600-to-649-pound steer is $413 to $448. A 95 percent floor at $297.31 sits well below all of them, which is exactly what a floor is supposed to do.

Two things to know every week. LRP settles on the CME feeder cattle index at the end date, not on what your own calves brought at your own barn — so basis risk remains, and a year when Montana runs weak against the national index is a year the insurance pays less than your loss. And rates reset every business day off the futures close, so a quote is a quote for that day. **Honest Cattle does not recommend buying LRP and does not recommend skipping it.** We publish the numbers so a rancher can price the decision.

4.6 Translation and Disclosure

What the paper market did to the Montana calf bid this week. The board's decline flows to the barn almost immediately — Montana auctions reprice futures within hours, and the full effect lands inside one or two sale weeks. A $9.00 fall in October feeders is worth roughly **$4.50 to $6.00 per hundredweight on a 600-pound Montana calf, or $27 to $36 a head**, and Billings' Thursday sale already shows it. Against that, the improvement in the board's feeding margin is a slower, gentler positive that shows up over two to four weeks as feedlots find their math working again. Near term the calf bid is lower. The direction after that depends on fed cattle, not on feeders.

Honest Cattle holds no futures or options positions and recommends none. This section interprets public market data so a producer can understand what the paper market is saying; it is not trading advice.

5. Cash Fed Cattle and Basis Context

USDA confirmed **41,379 head** of negotiated cash fed cattle trade in the **8-State Region** (USDA groups them into five reporting areas — Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) for the week ending September 13, 2026, against 40,678 the week before and **50,299 a year ago**. Volume rose 1.7 percent on the week and sits 17.7 percent below last year.

Montana is not in that region, and that is the point. This is the price the feedlots that buy Montana calves are selling into. A Montana cow-calf operation never sees this number directly; it sees it filtered through what a Nebraska or Colorado yard is willing to pay for a calf it will finish and sell at roughly this price.

The prices. Steers sold live FOB at a weighted average of **$222.82** per hundredweight across 16,118 head at 1,563 pounds, with a range of $218.00 to $225.00. Steers sold dressed delivered at **$350.71** across 11,384 head at 1,025-pound carcasses. Heifers live FOB brought $222.93 across 5,485 head — a shade over steers, which happens when the heifers on offer are the better cattle. USDA carried a correction on this report to its negotiated dressed FOB line.

Basis context. October live cattle futures settled Friday at $215.92, which puts cash about $6.90 over the board. Cash over futures in September says packers still need cattle now more than the board thinks they will need them in October. That is a supportive shape, and it is one of the few genuinely firm structural readings in this edition.

Translation to the Montana calf bid. Fed cattle are the calf market's leverage point — Section 3 puts a 10 percent move in fed cattle at roughly 14 percent on calf value. Cash fed cattle held near $222 to $223 this week while the board fell, which means the actual cash market was steadier than the futures market. That is a quiet positive worth roughly **$1.00 to $2.00 per hundredweight, $6 to $12 a head**, of support on the Montana calf bid over the next two to four weeks, and it partly offsets the futures decline in Section 4.

6. Montana Weekly Auction Data

Honest Cattle accounts for all twelve licensed Montana livestock markets every week, not just the four that USDA reports. Barns with no extractable report get a row and a reason. The sale-date window for this edition runs **September 15 through September 19, 2026**; barns run reduced and biweekly schedules in September, so the roster spans a range of dates rather than a single sale day.

Market	Town	Sale date	Head	Lead class / note
Billings Livestock Commission	Billings	Thu Sep 17	1,014	M&L 1 steers 575–595 lb $380.67; 603–642 lb $358.08 (AMS_1777)
Public Auction Yards (Wed)	Billings	Wed Sep 16	1,169	M&L 1 steers 603–634 lb $377.34; 470–490 lb $449.84 (AMS_1774)
Miles City Livestock Commission	Miles City	Tue Sep 15	1,012	All feeders over 600 lb; 873–888 lb steers $349.69 on 127 head (AMS_1773)
Public Auction Yards (Fri special)	Billings	—	—	Friday feeder specials are seasonal; last report 2/27/2026, which stated it was the final Friday special until fall. Not yet resumed (AMS_1776)
Lewistown Livestock Auction	Lewistown	—	—	No USDA report; no machine-readable results posted for the window
Dillon Livestock Auction	Dillon	—	—	No USDA report; no machine-readable results posted for the window
Western Livestock Auction	Vaughn	—	—	No USDA report; no machine-readable results posted for the window

Market	Town	Sale date	Head	Lead class / note
Sidney Livestock Market Center	Sidney	—	—	No USDA report; no machine-readable results posted for the window
Headwaters Livestock Auction	Three Forks	—	—	No USDA report; no machine-readable results posted for the window
Glendive Livestock Exchange	Glendive	—	—	No USDA report; no machine-readable results posted for the window
Glasgow Stockyards	Glasgow	—	—	Results published as page images only; not machine-extractable
Bear Paw Livestock	Chinook	—	—	Publishes no results online
Montana Livestock Co.	Ramsay	—	—	Site blocks automated access

Three barns sold, 3,195 head between them. Cross-links: the full roster and this edition's workbook live at honestcattle.net/montana-weekly-auction-results.

Statewide, one week in arrears. USDA's Montana Weekly Livestock Auction Summary (AMS_1778) for the week ending September 12 reported **2,596 head** against 12,099 the previous reported week and 10,249 a year ago. The statewide report for the week this edition covers posts Monday or Tuesday and is not available at a Sunday build. Feeder class composition in that report ran **40 percent steers, 51 percent heifers, 10 percent bulls** against the 96-week two-year average of 49.3 / 47.6 / 2.8. **The heifer share is running well above normal and it has been for weeks.** USDA's own narrative explains why: "Many calves continue to come out of dry country as ranchers are being forced to market early due to dry conditions." Heifers going to town instead of into the breeding herd is the clearest single sign that the national rebuild is not happening in Montana yet.

What the barns did this week. Billings Livestock traded 1,014 head on Thursday, half of last week's 2,020, and USDA noted "a lower undertone for feeder steer classes and a higher undertone for feeder heifers and bulls." That is the board's $9.00 decline arriving at the barn within a week, exactly as Section 4 said it would. Public Auction Yards doubled its receipts to 1,169 on Wednesday, mostly on cows. Miles City sold 1,012 head Tuesday and every one of its feeders weighed over 600 pounds — a pure yearling sale, 73 percent heifers.

The 550-to-649-pound calf, this week, in Montana. Four head sold between 550 and 599 pounds, at a weighted average of $383.75. Twenty-six head sold between 600 and 649 pounds, at $369.93. Those are the weight classes this report forecasts, and **thirty head statewide is not a market** — it is a handful of singles. Read them as confirmation that the fall run has not started, not as a price level. Section 7's video numbers and next month's barn specials are where the 2026 Montana calf price will actually be discovered.

Why we still print the barn when video leads. Off-season the barn is thin on calves, and video is where calf price discovery happens. But the barn is the only place cull cows, bred females, yearlings and local basis get tested, and those are four things a video sale never tells you. The barn also tells you what a rancher with twenty head rather than a load can actually get, which is most ranchers.

Translation to the Montana calf bid. Billings' lower steer undertone on 1,014 head is the futures decline already transmitted. Expect the same again at Wednesday's and Thursday's sales if the board does not recover, worth roughly **$4 to $6 per hundredweight, $24 to $36 a head** against two weeks ago. Lag: already arrived.

7. Video Auction Results — Seasonal

Video season is active. Two Northern Plains sales settled inside this edition's window and one is very recent.

Sale	Date	Receipts	Steers 550–599	Steers 600–649	Heifers 550–599
Western Video Market	Sep 16	19,406	$455.51 on 1,365 hd	$439.27 on 1,780 hd	$422.37 on 915 hd
Northern Livestock Video Auction	Sep 14	14,631	$422.98 on 826 hd	$415.36 on 1,054 hd	$397.93 on 718 hd
Superior Livestock Auction	Sep 4	41,129	$417.50 on 850 hd	$397.68 on 379 hd	$398.61 on 187 hd

Three standing cautions, stated every time.

- **The table above is regional; Honest Cattle also builds a Montana-only read.** USDA's video reports group Montana calves into a multi-state **North Central region — Colorado, Iowa, Montana, Nebraska, North Dakota, South Dakota and Wyoming** — and never break out state of origin, so none of the prices in the table above is a Montana price. The auction houses themselves publish more than USDA does: every lot carries a shipping point. We read those lot by lot and keep only the ones shipping from Montana, which is what the forward curve in Section 1.3 runs on. **This week that Montana-only read covers Superior Livestock's sales only** — the September 14 Northern Livestock and September 16 Western Video Market sales are not yet in it, so their figures appear above as regional and nowhere as Montana.

- **Forward delivery with a price slide.** These calves sell now for delivery later on a base weight, with a sliding price if they weigh differently on delivery day. Western Video Market's current sale runs a 0 to 3 percent pencil shrink and a slide of 10 to 30 cents over 600 pounds; Northern Livestock ran 14 to 28 cents. Delivery windows run from late September out through spring. The printed price is not a spot Montana cash bid.
- **Bands can be thin.** None of the bands above is flagged thin this week, which is unusual and welcome — 1,780 head in a single 50-pound steer class is a real sample.

The number that matters, and the gap that goes with it. Western Video Market's 600-to-649-pound steers brought **$439.27 across 1,780 head** on Wednesday. Montana barns the same week traded that weight class at $369.93 across 26 head. The $69 gap is the load-lot, weaned, forward-delivery premium plus regional mix plus the difference between a real sample and a handful of singles — it is not a clean read of any one of those things, which is why Section 2.1 does not move its $40-to-$50 estimate on it.

The trend across the three sales is up, and that runs against the futures board. Superior on September 4 at $397.68, Northern Livestock on September 14 at $415.36, Western Video Market on September 16 at $439.27. Different houses and different regional mixes, so treat it carefully — but buyers committing real money for forward delivery paid more each time while the board fell. That is a meaningful disagreement between the paper market and the people actually taking delivery of calves.

Translation to the Montana calf bid. Video prices lead barn prices for the fall run by roughly two to six weeks, because the video sale sets what an order buyer thinks he can pay. A rising video market against a falling board argues the barn decline in Section 6 is a futures echo rather than a demand problem, and it supports the Section 2 decision to hold rather than cut. Call it **$3 to $6 per hundredweight, $18 to $36 a head** of forward support, arriving over the next month. Cross-link: honestcattle.net/montana-video-cattle-auction-trends.

8. Feedlot profitability using today's Montana calf prices

Full break-even math on an actual USDA-reported Montana purchase price, with the same barn and nearly the same weight as last week's example so the comparison is honest.

The print. Billings Livestock, Thursday September 17: **11 head of 769-pound steers at $367.00 per hundredweight**. A week earlier the same barn sold 9 head of 778-pound steers at $379.00. **The Billings yearling lost $12.00 per hundredweight in one week**, which is the futures decline arriving in cash form.

The math, step by step. Buying that steer costs 7.69 cwt × $367.00 = **$2,822.23 a head**. Feeding him from 769 pounds to a 1,400-pound finished weight is 631 pounds of gain. At December corn of $5.27½ a bushel — $188.39 a ton — a commercial yard's all-in cost of gain including feed, yardage, interest, medicine and death loss runs about **$1.09 a pound**, so 631 pounds of gain costs **$687.79**. Total invested: **$3,510.02**. Divide by 14.00 hundredweight of finished steer and the break-even is **$250.72 per hundredweight live**.

Now price the other end. That steer finishes roughly seven months out, which lines up with the April 2027 live cattle contract at $218.23. Break-even $250.72 against $218.23 is a loss of **$32.49 per hundredweight, or $454.86 a head**.

What that number means, and why it got better in a bad week. It does not mean feedlots are about to lose $455 a head. It means today's Montana yearling price and today's deferred fed-cattle board still cannot both be right — one of them has to give, and historically it is the calf price that gives. Last week the same calculation on the same barn produced a $489 gap. This week it is $455, **an improvement of $34 a head**, and it improved for one reason: the yearling got $12 cheaper while the deferred fed-cattle contract only fell $5.87.

This is the single most important thing in an otherwise discouraging week. The board's own feeding margin (Section 4.4) told the same story from a different direction, improving $22.13 a head. A feeder market that falls faster than the fed-cattle market makes the feedlot's arithmetic work again, and the feedlot is who bids on your calf. Nobody enjoys watching the bid come down. But a calf market priced where a buyer can actually make money is a calf market with a floor under it, and a calf market priced where nobody can is not. The packer's side of the chain is the next section; the two margins move on different clocks and should not be read as one number.

9. Boxed Beef Cutout and Packer Economics

USDA's National Weekly Boxed Beef Cutout report (AMS_2461 / LM_XB459) for the week ending Friday, September 18, 2026 put the **Choice cutout at a weekly average of $374.26** per hundredweight, **down $3.91**, and the **Select cutout at $354.13, up 89 cents**. The published **Choice–Select spread is $20.13** against $24.93 the week before — a **narrowing of $4.80**. Total load count was 505, up from 444.

This is the exact inverse of last week's shape, and it is the bad news in this edition. Choice down while Select rises means buyers paid less for the beef that graded well and more for the beef that did not. Beef as a whole barely moved — the two grades converged. The Choice rib primal averaged $642.86 against Select's $532.65, still a $110 gap, but a narrowing one. Grade is the part of the beef business a rancher actually controls, through genetics and weaning, and this week the market paid less for it.

SIDEBAR — CHOICE-SELECT SPREAD -> MONTANA CALF BID
This week: $20.13/cwt (weekly avg, AMS_2461, wk ending 2026-09-18)
Prior week: $24.93/cwt · change -$4.80
Per $1/cwt move: $0.65-0.85/cwt on a 600-lb calf · $4-5/head verified-program
This week's move: -$3.12 to -$4.08/cwt · -$19 to -$24/head on verified calves
Direction: BEARISH - the largest single negative in this edition
Lag: 5-9 months

SIDEBAR — PACKER GROSS MARGIN -> MONTANA CALF BID
This week: $23.55/cwt (Choice cutout $374.26 - dressed fed cash $350.71)
Prior week: $33.05/cwt · change -$9.50
Per $1/cwt expansion: +$0.20-0.40/cwt · +$1.20-2.40/head on a 600-lb calf
This week's move: -$1.90 to -$3.80/cwt · -$11 to -$23/head
Direction: BEARISH - a sharp compression, the second-largest negative here
Lag: 2-4 weeks
Note: cutout is the week ending 9/18; dressed fed cash is the week ending 9/13, the most recent USDA print. The weeks do not perfectly align.

Reading those two sidebars in plain English. The Choice–Select spread is the price gap between Choice-grade beef and Select-grade beef. It is the clearest market signal that quality gets paid, and it reaches a rancher through the packer's grid five to nine months later, when this fall's calf reaches the rail. Every dollar it narrows takes about 65 to 85 cents per hundredweight off a verified-quality 600-pound Montana calf. This week's $4.80 narrowing is worth $19 to $24 a head — against calves you will sell next spring and summer, not against the ones in your corral now.

Packer gross margin is the gap between what a packer sells a carcass for and what it paid for the animal, on the same carcass basis. It is gross — labour, plant costs and everything else still come out of it. On an 889-pound carcass a $23.55 margin is about $209 a head of gross spread, down from roughly $293 last week. That is a big one-week compression, and it happened because wholesale beef fell while the packer's cattle cost did not. A packer whose margin is shrinking is a packer who bids more carefully for cattle two to four weeks out.

9.1 Grass-Fed Beef

USDA's national retail survey for the ad period beginning September 14 priced **grass-fed, antibiotic-free 80-to-89 percent ground beef at $9.35 a pound across 587 stores**, against conventional ground of the same lean at **$6.50 across 4,213 stores**. That is a **premium of $2.85 a pound, or 43.8 percent** — up from $2.06 and 34.0 percent last week.

One caution on that number, and it is a real one. Retail feature prices are advertising prices, and they swing on which retailers happened to promote which product that week. The same report shows 90-percent-lean grass-fed ground at $6.14 against conventional at $8.32 — grass-fed cheaper than conventional, which is not a market condition, it is a deep feature at a big chain. Read the ground-beef premium as a range across weeks, not as this week's level.

What the grass-fed channel pays a Montana outfit. A grass-finished program typically contracts on a hanging-weight or per-head basis well above the commodity calf, but it takes the animal to finish rather than selling it at weaning, which means 12 to 18 more months of grass, more risk and a much smaller buyer pool. The persistent 30-to-45 percent retail premium is real and has been for two years. It does not reach a rancher who sells calves at the barn in October. It reaches the rancher who has a finished-beef buyer, and that is a different business with different capital.

9.2 Grocery-Store Action

USDA's Weekly Grocery Store Beef Feature Activity report (AMS_3228) for the ad period September 12 to 24 shows the **Activity Index at 100,653, down 11.8 percent** from 114,128, and the **Feature Rate at 84.9 percent, down from 89.0 percent**. A year ago the index was 98,447 and the feature rate 88.7 percent. Total outlets surveyed: 25,521.

The Activity Index counts how hard grocers are pushing beef — how many stores, how much ad space, how many items. It fell hard this week, and USDA's own note says why: round and variety cuts gained ad space while brisket, chuck, loin, rib, sirloin and ground all lost it, with ground continuing "a steady decline in features as we transition out of grilling season." This is the ordinary autumn hand-off out of the grilling season and into the roast season, and the index is still two percent above where it stood a year ago.

Translation to the Montana calf bid. Retail feature activity leads the cutout by roughly two to four weeks, because a grocer's ad this week is beef the packer sold two weeks ago. An 11.8 percent drop in the index alongside a $3.91 fall in the Choice cutout says consumer-facing demand softened and the wholesale market followed — not a collapse, but a second confirming reading. Worth roughly **$1.00 to $2.00 per hundredweight, $6 to $12 a head** of near-term pressure on the calf bid, arriving over two to four weeks.

10. Cattle Slaughter and Packer Margins

Federally inspected cattle slaughter for the week ending Saturday, September 19, 2026 was **529,000 head**, up 4.8 percent from 505,000 the week before and down **5.4 percent from 559,000 a year ago**. Beef production was 469.3 million pounds, up 4.8 percent on the week and down 4.5 percent on the year. Year to date, cattle slaughter stands at 19,522,000 head against 21,103,000 a year ago — **down 7.5 percent**.

The year-over-year gap narrowed sharply and that is worth being careful about. Last week's kill ran 11.9 percent under a year ago; this week's runs 5.4 percent under. That is not the packers suddenly finding cattle. It is the week-to-week noise that a single-week comparison always carries, sitting on top of a year-to-date figure that remains down 7.5 percent. **The year-to-date number is the one to trust.** Average dressed weight is 889 pounds against 881 a year ago, so each animal is carrying eight more pounds of beef — which is why beef production is down only 4.5 percent while head count is down 5.4.

10.1 Cattle on Feed — September 18, 2026

This is the most consequential number in the edition. USDA reported cattle and calves on feed at **11.163 million head on September 1**, up 1 percent from 11.080 million a year ago. **Placements during August totalled 1.617 million head, down 9 percent from 1.780 million — the lowest August placement figure since the series began in 1996.** Marketings were 1.519 million, down 3 percent, and also the lowest August on record.

What placements are and why this matters. Placements are the cattle that went into feedlots last month. They become slaughter cattle five to nine months later. A record-low August placement number is a direct statement that the beef supply of next spring will be tight, and it follows a July placement figure that was also a record low for its month at 1.422 million head, down 11 percent. Two consecutive record-low months is not noise.

Appendices A and B at the end of this edition take the report apart properly, including the parts of it that are not bullish.

```
SIDEBAR — SLAUGHTER + PLACEMENTS -> MONTANA CALF BID
Slaughter this week: 529,000 head  (wk ending 2026-09-19)
  +4.8% week over week  ·  -5.4% year over year
  Year-to-date cattle slaughter: -7.5% YoY  <- the durable number
Latest monthly placements: 1.617 million head, August 2026, -9% YoY
  LOWEST AUGUST SINCE THE SERIES BEGAN IN 1996
Per 1% slaughter decline:  +$0.50-1.00/cwt  ·  +$3-6/head   (4-8 wk lag)
Per 1% placement decline:  +$0.50-1.50/cwt  ·  +$3-9/head   (5-9 mo lag)
Direction near-term: MILDLY BULLISH - still under year-ago, but much less so
Direction forward:   STRONGLY BULLISH on the placement number
Note: the codified per-1% rates are calibrated on ordinary swings. A 9% miss is
      not an ordinary swing - read it as a large directional tailwind, not as
      a precise dollar figure.
```

Reading that sidebar in plain English. Fewer cattle killed means fewer boxes of beef, which means packers competing harder for the cattle that exist — which supports cash fed cattle and, four to eight weeks later, the calf bid. Placements are the cattle going into feedlots this month; they become the kill five to nine months from now, which is why a record-low August is a tailwind for calves sold this fall and finished next spring. The near-term reading softened this week. The forward reading got materially stronger.

10.2 Packing Capacity

Tyson's **Pasco, Washington** plant — roughly 2,000 head a day, the Pacific Northwest's principal fed-cattle and cull-cow outlet and a standing destination for Montana cattle — remains for sale with no buyer reported. Tyson's Joslin, Illinois harvest plant and Eagle Mountain, Utah case-ready plant are closing; JBS ended slaughter at its 2,000-head-a-day Souderton, Pennsylvania plant in June; Cargill's Fort Morgan, Colorado plant returned to full operations in phases from September 3 after workers ratified a five-year contract on August 17.

Pasco is the Montana-specific exposure and it has not changed. If the sale fails and the plant closes, Pacific Northwest basis widens and Montana fed cattle and cull cows run east to Nebraska, Kansas and Colorado. That is real freight money out of a Montana operation's pocket, and it is a bid-competition loss on cows that no freight calculation captures. Who buys Pasco, and whether the buyer keeps killing cattle, remains on the watch list in Section 20.

The honest both-sides read on capacity. Roughly 5,000 head a day of harvest capacity closing or at risk is four to five percent of national fed slaughter capacity. In the near term that firms packer margins — fewer shackles chasing scarce cattle means less pressure to press for cattle, but also fewer competing bids. This report has said all summer that capacity had to shrink to fit a herd at a 75-year low, and it is shrinking. Fewer plants in fewer hands is nonetheless structurally worse for cash-market competition even when the near-term margin math looks neutral.

10.3 Packers and Stockyards Enforcement

The September 4 executive order on livestock market competition directs USDA to prioritise Packers and Stockyards Act investigations, add enforcement staff, coordinate with the Justice Department, and report to the President with a one-year plan. **That is a stated priority, not a rule.** Enforcement promises on packer concentration have been made repeatedly across administrations of both parties with little measurable change in the cash market. The things to watch are the one-year plan and actual case filings, not the announcement. Separately, USDA announced a fourth round of the Meat and Poultry Processing Expansion Program at **$60 million** — real money, and small against the capacity the Big Four are removing.

11. Regional Weather Summary

Montana is drying out again after two wet weeks, and that is this week's featured mover. The seven-day picture across the state is warm, sunny and essentially rainless. The National Weather Service gridpoint reading for south-central Montana — a reference point, not a county feature — runs 71 to 74 degrees by day and 44 to 51 degrees at night through midweek, with precipitation probability at or near zero on four of the next five days and a single 21 percent chance Tuesday night. No frost is in the near forecast at that elevation.

What that does. The rains of the first half of September did real work — the drought map has improved three weeks running (Section 12) and USDA's hay report notes that "fall rains have helped improve late season grazing conditions in some locations." A dry, warm, frost-free week extends that late grazing rather than ending it, which is mildly good: every additional day of grazing is a day of hay not fed. But it adds no soil moisture ahead of freeze-up, and soil moisture at freeze-up is what determines next spring's green-up.

County-level detail is not published here. Snowpack, soil moisture, Drought Monitor class, range condition and the seven-day forecast for your own county live on the county pages at honestcattle.net and update automatically. Look yours up rather than reading a regional average.

Translation to the Montana calf bid. A dry, frost-free week is worth a few days of deferred hay feeding — call it **$6 to $12 a cow** of avoided winter feed cost at this week's hay prices (Section 21) — and slightly reduces the pressure to ship calves early. It is a small positive, and it is the only one weather offers this week.

12. Moisture, Snowpack, Range — See County Page

Montana's drought index fell for a third consecutive week. The U.S. Drought Monitor map valid September 15, 2026 puts the statewide **Drought Severity and Coverage Index at 148**, against 156 a week earlier and 171 two weeks before that. That is a 23-point improvement in three weeks and the best sustained run since spring.

Class	Sep 15	Sep 8	Sep 1	Change, 1 wk
Abnormally dry or worse (D0+)	77.50%	79.95%	92.52%	−2.45 pp
Moderate drought or worse (D1+)	47.02%	52.98%	56.71%	−5.96 pp
Severe drought or worse (D2+)	18.09%	18.14%	17.49%	−0.05 pp
Extreme drought or worse (D3+)	5.01%	5.01%	4.40%	unchanged
Exceptional drought (D4)	0.00%	0.00%	0.00%	unchanged

The improvement is all at the shallow end, and that pattern has now held for three weeks. Moderate drought shrank by nearly six points this week. Severe drought moved five hundredths of a point. Extreme drought did not move at all. Rain that arrives in September relieves the country that was only mildly dry and does almost nothing for the country that has been dry since spring — the deficit there is measured in months, not inches.

For the 18 percent of Montana in severe drought or worse, nothing has improved. Those operations are still on the early-marketing timetable USDA's auction narrative describes: "Many calves continue to come out of dry country as ranchers are being forced to market early due to dry conditions." That is the mechanism behind the elevated heifer share in Section 6, and it has not changed.

Snowpack. The water year begins October 1 and there is no meaningful accumulation to report. Ten-year snowpack context for Park County is maintained at honestcattle.net, and your own county's SNOTEL, soil moisture and range condition sit on your county page. Look yours up.

13. Range Forage Outlook and Feeder Marketing Implications

The range signal this week is split, and the split is the whole story. Late-season grazing improved across the four-fifths of the state that was only mildly dry — three straight weeks of drought-map improvement, fall rain that USDA says helped, and a warm frost-free week ahead that extends grazing further. For the 18 percent of Montana in severe drought or worse, nothing changed and the early-marketing clock is still running.

What changed this week that alters a marketing decision. Three things. The futures board fell $9.00 and took the Montana bid with it. The Cattle on Feed report said next spring's fed supply will be the tightest in thirty years. And hay came in steady rather than higher (Section 21). Those three together tilt the arithmetic toward patience for the operations that have grass and feed, and change nothing for the operations that do not.

14.1 Five Calf-Marketing Decisions This Signal Changes

1. **If you can hold, hold past the board's low rather than selling into it.** The Montana bid fell roughly $4 to $6 per hundredweight this week on a futures move, not a demand move — Section 7's video market rose in the same week. Selling a 600-pound calf into that is **$24 to $36 a head** of avoidable loss if the board recovers, and the placement number in Section 10 is the strongest argument in months that it will. This applies only if you have grass or cheap feed. If you do not, see decision 4.
2. **Vaccinate and wean, and do it now rather than at the sale.** Section 2.1 puts the full gap between a weaned load lot and a barn-run calf at $40 to $50 per hundredweight — **$240 to $300 a head on a 600-pound calf** — and weaning is the entry ticket to it. Section 2.1 puts the full weaned-load-lot gap at $40 to $50 per hundredweight; weaning alone is worth about $12 of it and vaccination is most of the rest. There is no cheaper money in this report.
3. **Put the load together, even if it means going in with a neighbour.** Of the $40-to-$50 gap between a weaned load lot and a barn-run calf, only about $12 is weaning. The other $30 to $40 is uniformity, full-truckload quantity and access to the video channel — **$180 to $240 a head on a 600-pound calf**. Western Video Market moved 1,780 head of 600-to-649-pound steers in one class on Wednesday. That is the market paying for scale, and two ranchers with half a load each can reach it.
4. **If you are in the severe-drought 18 percent, do not wait for the board.** Your cost of holding is purchased hay at $230 to $280 a ton (Section 21) plus a shrinking grass base, and the board may not recover before your feed bill outruns the price improvement. Wintering a cow on purchased hay runs **$466 to $536 a head** over 150 days. Market the calves on schedule and put the decision energy into which cows stay.
5. **Price the floor before you need it, and know what it costs.** A 95 percent December price floor on a 600-pound steer costs **$26.90 a head** after the federal subsidy and protects $297.31 per hundredweight (Section 4.5). At current bids that floor is a long way below the market, which makes it cheap catastrophe cover rather than a price guarantee. It also settles on a national index rather than your own sale, so it is not a perfect hedge. Honest Cattle recommends neither buying it nor skipping it — but a rancher who has not priced it is making the decision by default.

14. Bred Cattle and Cull Cow Data

Montana's replacement ring this week was almost entirely open cows going to town. Across the three barns that sold, 203 head of replacement cattle traded: **69 percent stock cows, 27 percent bred cows, no bred heifers at all, and 3 percent cow-calf pairs.** Billings Livestock ran 74 percent stock cows, Public Auction Yards 64 percent, and Miles City's ten head of replacements were 100 percent stock cows.

15.1 What That Does and Does Not Mean

It is September, and in September a high stock-cow share is the fall cull, not a retention collapse. Ranchers pregnancy-check in the autumn and ship the opens before winter feed starts. A 69 percent open-cow share in the replacement ring is what that looks like in the data. The honest caution is the same one this section gave last week from the opposite direction: 203 head is a small sample, and one week's replacement composition is not a trend. The September 14 edition reported 87 percent stock cows from a different source week; the week before that reported 83 percent bred. These are small samples pointing at different populations and none of them should move a price band.

What is a signal is the absence. Not one bred heifer sold in Montana's reported replacement trade this week. Bred heifers are the purest forward statement a rancher can make — buying one is a bet on calf prices two years out. A week with none is a week with no such bets placed, and it sits alongside the elevated heifer share in the feeder ring (Section 6) telling the same story: Montana is not rebuilding yet, whatever the national herd numbers say.

```
SIDEBAR — REPLACEMENT COMPOSITION -> CULL-COW + FORWARD CALF VALUE
This week: stock cows 69% · bred cows 27% · bred heifers 0% · pairs 3%
          (n = 203 head, AMS_1773 + AMS_1774 + AMS_1777, sales 9/15-9/17)
Cull-cow read (current week):
  Stock-cow share above 25% -> open-cow oversupply at the ring
  -$5 to -$10/cwt on 1,300-lb cull cow values over 2-3 weeks
  = -$65 to -$130/head.  SEASONAL: this is the autumn cull, largely expected.
Forward calf read (7-10 months):
  Combined bred share 27%, below the 60% line -> delayed retention
  -$2 to -$5/cwt on a 600-lb calf  ·  -$12 to -$30/head in that window
```

15.2 Montana Cull Cows, and a Finding About Our Own Index

Boner cows, 80 to 85 percent lean, average dressing, across the three barns that sold: Billings Livestock $137.48 on 2 head, Public Auction Yards $141.20 on 69 head, Miles City $150.57 on 15 head — a weighted composite of **$142.75 across 86 head**. Including every dressing class and the return-to-feed cows, the composite is **$146.19 across 214 head**.

The Honest Cattle Market Index is currently carrying its cull-cow leg at $155.11. That is the last statewide USDA print, from the week ending September 5. This week's barn composite says the real number is somewhere between $142.75 and $146.19 — **$9 to $12 below what the index is carrying.** The cull leg is 10.5 percent of the index, so when USDA posts, the September 19 index should reconcile down by roughly 0.8 points from the 133.3 printed in Section 1. We are saying that in advance rather than letting it show up as an unexplained revision.

We are not changing the index leg on one week's data. The shadow log that compares the barn composite against the USDA print keeps running, per the method note published when this comparison began. A provisional print that jumps because the source changed and then snaps back when USDA posts is worse than a carried one.

The return-to-feed premium is holding. Return-to-feed boner cows brought $147.81 at Billings, $152.88 at Public Auction Yards and $151.58 at Miles City, against average-dressing slaughter cows in the low $140s. That is a premium of roughly **$8 to $12 per hundredweight — $108 to $162 on a 1,350-pound cow** — narrower than the $18.22 reported two weeks ago. A cow with flesh left to add still has a competing bid, but that competing bid is weakening as feed costs rise. Both Billings and Public Auction Yards reported feeding cows selling $3 to $5 lower this week.

15.3 Bred Females

Montana. Public Auction Yards sold 12 head of two-to-four-year-old Medium and Large 1 bred cows in the first trimester at **$3,210.51 a head**, and 9 head of Medium and Large 1-2 at $2,788.27. Billings Livestock sold 4 head of two-to-four-year-olds at $2,238.65 and 3 head in the second-to-third trimester at $2,676.48, with 5-to-8-year-olds at $1,950 to $2,400. **The spread between a young first-trimester bred cow at $3,210 and an aged one at $1,950 is $1,260 a head**, which is the market pricing exactly how many more calves it expects to get out of her.

Read that against the feeder ring. Montana sold 51 percent heifers among its feeder cattle this week against a two-year average of 47.6, and no bred heifers at all. Heifers going to town instead of into the breeding herd, and nobody buying bred replacements, are the same signal arriving twice.

15. New World Screwworm Status

The southern border is reopening in phases and no new United States case has been confirmed since June. USDA reopened the **Douglas, Arizona** port to cattle imports from Mexico on **August 24, 2026**, the first step in a phased reopening of southern ports to livestock trade, under a science-based import protocol agreed jointly by the United States and Mexico. On **August 30** APHIS approved release of the only New World screwworm infested zone in New Mexico; that state's single case, in a dog, was detected June 7 and nothing further has been found.

The wider picture. The first United States animal case was confirmed June 3, 2026. There have been no human infestations acquired in the United States. Mexico and the Central American countries have together reported more than 209,400 animal cases and more than 2,600 human cases.

What screwworm actually does, for anyone new to this. The New World screwworm is a fly whose larvae feed on the living tissue of warm-blooded animals. It enters through a wound as small as a tick bite or a fresh navel and can kill an untreated animal in one to two weeks. The United States eradicated it in 1966 through sterile-fly releases and has held that line since, which is why a single case makes news.

Translation to the Montana calf bid. The direct biological risk to Montana remains remote — the fly does not overwinter at Montana latitudes and the nearest confirmed case is 1,200 miles away. The market effect runs entirely through imports. **A reopening border is bearish for calf prices**, because Mexican feeder cattle arriving in Texas and New Mexico feedyards compete with American calves for the same pen space. Douglas alone is a small share of the historical flow, so call this week's effect **$0.50 to $1.50 per hundredweight, $3 to $9 a head** of slow pressure over the next three to six months, building if further ports open. The watch item is the pace of the phased reopening, not the disease.

16. Import, Tariff and Policy Landscape

USDA's Imported Beef Trade report (AMS_2823 / NW_LS421) for September 18, 2026 reported **import prices moderately to sharply lower, with instances unevenly steady**, on slow-to-moderate trading activity. USDA's stated reason is the one this report has been tracking: "Weaker domestic values continued to pressure import prices." Australian and New Zealand supplies remained very tight, with the New Zealand seasonal cow and bull harvest still limiting offerings.

That is the import market following the domestic market down, not leading it. When the cutout falls $3.91 (Section 9), the price an importer can get for lean trimmings falls with it. Imports are a price-taker here, which is the opposite of the dynamic that drove the summer.

17.1 Country-of-Origin Labeling — the Clock Is Running

One date matters and it is roughly December 3, 2026. The executive order signed September 4 gives the Secretary of Agriculture 90 days, in consultation with the U.S. Trade Representative, to review every statutory and regulatory authority that *may* permit mandatory country-of-origin labeling for beef, and to deliver both that review and an economic analysis of MCOOL's effects to the White House.

The order does not implement MCOOL. It orders a study of whether MCOOL is legally possible, and then permits — does not require — action. Whether existing statutory authority is enough to reinstate mandatory labeling without Congress is genuinely contested. MCOOL for beef was repealed by Congress in 2015 after World Trade Organization rulings authorised Canada and Mexico to retaliate against roughly a billion dollars of U.S. goods; that history is the binding constraint, and defenders of both readings can point to real support. Honest Cattle does not adopt either as its own legal conclusion.

What a rancher should take from it: a date to watch, not a labeling change. There is no calculable calf-bid effect from a study with a December deadline, and inventing one would be dishonest. We will report what the review says when it says it.

Where this connects. Origin disclosure and meat-label transparency are the whole subject of Farm Animal Transparency (FAT), and this is the most direct overlap between that work and this report. If the review concludes that existing authority is sufficient, the argument moves from whether labels are possible to what the labels have to say — which is FAT's ground.

17.2 The Imported-Beef Recall, and Who Actually Inspects Meat

The recall of roughly **29,628 pounds** of raw boneless beef imported from Argentina by Corte Argentino USA LLC — announced August 11, 2026, Class I risk, produced May 15 to 20, distributed in Florida and Texas — remains the live example of why import reinspection matters. The product entered United States commerce without the required import reinspection. No illnesses were reported.

The agency split, stated once because it is constantly confused. That recall was caught by USDA's **Food Safety and Inspection Service (FSIS)**, not the FDA. FSIS inspects meat, poultry and egg products, and re-inspects every imported lot at the border on top of whatever certification the exporting country provides. FDA covers essentially all other food. **The system worked** — routine FSIS surveillance found it. It is also a live argument for why border reinspection and origin labeling matter while import volumes run at records. Do not overstate it: no illnesses, two states, about fifteen truckloads of beef.

17.3 Ranchers First — What Has a Mechanism and What Has a Press Release

The BRAND endorsement is the one with real mechanics. USDA's Risk Management Agency is developing a Beef Retention and National Development endorsement under Livestock Risk Protection that would insure the economic value of retaining a heifer for breeding over a two-year period — in plain terms, insurance against the regret of having kept her. It is aimed squarely at the decision that sets calf supply three years out, and Section 14's finding that not one bred heifer sold in Montana this week is exactly the decision it targets.

And it cannot touch this cattle cycle. RMA product development typically runs eighteen months to three years through the Federal Crop Insurance Corporation board, and BRAND carries a two-year insurance term on top of that. Even on an optimistic schedule the first policies would not run to term until roughly 2029. The heifers whose retention decides the current rebuild are being kept or sold *this fall*. RMA has published no rates and no sign-up window, and this report will not quote a premium until it does.

The rest, briefly. Emergency Conservation Program assistance is now usable on Grassland CRP acres after wildfire and other disasters — relevant to the marketing decisions in Section 13 for anyone who has burned. Increased federal purchasing of American beef, expanded disaster recovery and added resources for beginning and veteran ranchers are announcements without published dollar mechanics. Packers and Stockyards enforcement is covered in Section 10.3.

Translation to the Montana calf bid. The import ledger is mildly bearish and getting less so as import prices follow domestic values down: call it **neutral to −$1.00 per hundredweight, $0 to −$6 a head** over the next three to six months. The policy package is **zero** this year, and saying zero is more useful than inventing a number. We apply the same test to this package that we applied to the import quota and will apply to whatever the next administration announces: does it have a mechanism and a dollar figure, or a press release and a deadline?

17. Packer Grid Pricing and Implications for Calf Prices

Most fed cattle are sold on a grid rather than a flat price. The packer starts from a base price and adds or subtracts for what the carcass actually is: **Prime** and **Certified Angus Beef** earn premiums, **Choice** is the benchmark, **Select** is discounted, yield grades 4 and 5 are discounted, and carcasses that come in too heavy or too light are discounted regardless of grade. The Choice–Select spread is the leading indicator inside that structure, because it is the market's live price on grade itself.

18.1 The Worked Example

Standardised throughout this report on a 900-pound carcass, a 1,250-pound finished steer, a 750-pound feedlot placement, a 600-pound Montana calf and a 70 percent packer-to-feedlot pass-through.

- **At the packer.** The Choice–Select spread narrowed $4.80 this week. On a 900-pound carcass that is 900 × $0.048 = **$43.20 a head** less grid premium captured by a carcass that grades Choice rather than Select.
- **To the feedlot.** At 70 percent pass-through, **$30.24 a head** less in feedlot grid earnings per fed steer.
- **On the placement steer.** Spread across a 750-pound placement, that is **$4.03 per hundredweight** less break-even tolerance — less room for the yard to bid up.
- **On the Montana calf.** On a 600-pound calf in a verified-quality program, the codified rate of 65 to 85 cents per hundredweight per dollar of spread gives **−$3.12 to −$4.08 per hundredweight, or $19 to $24 a head**.

- **When.** Five to nine months. A calf weaned this October reaches the rail between next March and next July, and that is when this week's spread shows up in the cheque.

The caveat that makes it honest. This applies to verified-Choice-and-better calves — age-and-source verified, known genetics, a documented health protocol. Commodity calves sold barn-run capture roughly 30 percent of the move, because the buyer cannot price grade he cannot predict. At a spread of $20.13, still well above the $8 line where retailers actively bid for quality, the verified-quality premium remains worth chasing. It is simply worth $4.80 less than it was a week ago.

18.2 Twelve-Month Choice / Select Trend

Month	Choice ($/cwt)	Select ($/cwt)	Spread ($/cwt)	Basis	Source
2025-10	368	349	19	carried	Honest Cattle standing reference series, not re-verified this week
2025-11	372	352	20	carried	Honest Cattle standing reference series, not re-verified this week
2025-12	365	347	18	carried	Honest Cattle standing reference series, not re-verified this week
2026-01	358	341	17	carried	Honest Cattle standing reference series, not re-verified this week
2026-02	363	344	19	carried	Honest Cattle standing reference series, not re-verified this week
2026-03	371	349	22	carried	Honest Cattle standing reference series, not re-verified this week
2026-04 (wk 2026-04-06)	387.78	386.19	1.59	daily close	HC published edition 2026-04-06 (primary at publication)

Month	Choice ($/cwt)	Select ($/cwt)	Spread ($/cwt)	Basis	Source
2026-05 (wk 2026-05-18)	391.85	388.05	3.8	daily close	HC published edition 2026-05-18 (primary at publication)
2026-06 (wk 2026-06-15)	393.28	375.7	17.58	daily close	HC published edition 2026-06-15 (primary at publication)
2026-07 (wk 2026-07-28)	364.92	351.14	13.78	weekly avg	HC published edition 2026-07-28 (primary at publication)
2026-08 (wk 2026-08-17)	373.24	350.18	23.06	weekly avg	HC published edition 2026-08-17 (primary at publication)
2026-09 (wk 2026-09-18)	374.26	354.13	20.13	weekly avg	AMS_2461 / LM_XB459 weekly PDF

Read the provenance column. The September row is straight from this week's USDA weekly report. April through August are taken from Honest Cattle's own published editions, where each figure was primary and dated at the time we printed it. The months before April are our standing reference series and were not re-verified this week. Each row also carries its measurement basis, because a weekly average and a single daily close are not the same measurement and differencing one against the other is precisely the error this report had to correct in print earlier this year. As the log fills forward, carried rows are replaced by logged ones month by month.

What the twelve months say. The spread ran near zero in April, widened through the summer, peaked around $23 in August and has now come off to $20.13. A spread above $8 means retailers are bidding for quality specifically; below $5 means the market is treating beef as undifferentiated. At $20.13 quality is still being paid for handsomely by historical standards — this week's narrowing is a step down from a high level, not a move toward indifference.

SIDEBAR — CHOICE-SELECT SPREAD -> MONTANA CALF BID
This week: $20.13/cwt (weekly avg, AMS_2461, wk ending 2026-09-18)
Prior week: $24.93/cwt · 4-week average approximately $22.10
Per $1/cwt move: $0.65-0.85/cwt on 600-lb calf · $4-5/head verified-program
Direction this week: BEARISH for verified-quality calf bids
Lag: 5-9 months

18. Rancher Share of Retail Beef and Price Transmission Index (PTI)

The number. Of every dollar the meat case collected for Choice beef in the most recent month USDA has published, **51.1 cents made it back to the ranch gate** — a net farm value of $5.232 per pound against a Choice beef retail value of $10.229 per pound. August is the most recent month USDA has published; the data set was last updated September 11 and the next update lands October 14. That is unchanged from July's 51.1 percent, the second consecutive flat reading after declines of 0.6 points in June and 3.9 points in July.

Where these figures come from. They were pulled and re-parsed directly from USDA's own published file for this edition rather than derived from any intermediate calculation. That is the standing practice for this section, and it is worth restating because the denominator here has produced a published error before — see the methodology note below.

The Price Transmission Index. PTI is the current rancher share minus its five-year average. The five-year average, taken from USDA's own annual series for 2021 through 2025 — 36.8, 40.5, 47.8, 50.2 and 53.5 percent — is **45.8 percent**. The PTI is therefore **+5.3 percentage points**, which is GREEN on the recentred thresholds (Red below 43.8 percent, Yellow 43.8 to 45.8, Green above 45.8).

Direction, which matters as much as level. Month over month the share is **flat**. Year over year it is down 3.5 points from August 2025's 54.6 percent. The series peaked at 55.6 percent in May and fell in June and July before levelling here. Flat is the good news in this section: two more months at the summer's pace would have carried the share into the Yellow band, and it did not happen.

The mechanism, and a caution about this week. The rancher share falls when the packer's margin widens, because more of the retail dollar stops at the plant. **The packer's gross margin compressed $9.50 this week** (Section 9), which mechanically argues for the rancher share going up — but the retail value fell too, and a smaller pie split more favourably is not automatically more money. The next USDA update lands in mid-October and will be the first month to carry any of this September weakness.

Methodology note, stated every week because the definition has caused a published error before. The farmers' share is net farm value divided by the *Choice beef retail value*, per USDA's own documentation. It is not net farm value divided by the all-fresh retail value — that alternative denominator is what produced the 40.8 percent figure the August 31 edition published and the September 7 edition reversed in print. The all-fresh figure and the 5-market steer price are noted here only so they are not confused with the calculation.

```
SIDEBAR — PTI -> MONTANA CALF BID
Rancher share, August 2026 (latest published): 51.1%
  (net farm value $5.232/lb / Choice beef retail value $10.229/lb)
Five-year average (2021-2025 USDA annual): 45.8%
PTI: +5.3pp  -  GREEN  (Red below 43.8% · Yellow 43.8-45.8% · Green above 45.8%)
Month over month: FLAT (51.1% -> 51.1%) - second straight flat month
Year over year:   -3.5pp from August 2025's 54.6%
Per 1pp NEGATIVE PTI: -$0.50 to -$1.00/cwt · -$3 to -$6/head on a 600-lb calf
  - no headwind applies while PTI is positive
This week's contribution: roughly +$2.00/cwt · +$12/head of support
Lag: 4-8 weeks
Next USDA update: mid-October 2026
```

Reading that sidebar in plain English. USDA tracks how much of every dollar shoppers spend on beef makes it back to the ranch. Right now that is 51.1 cents, and the five-year average is 45.8 cents — so ranchers are currently getting a bigger slice than usual, by 5.3 cents on the dollar. When that slice runs *below* average, it has historically been a four-to-eight-week warning that Montana calf bids are about to soften, worth 50 cents to a dollar per hundredweight for each point below. It is above average, so no warning applies; it is running as a mild positive. The live tile is at honestcattle.net/montana-cattle-markets-2.

19. Sentiment Score

Honest Cattle's sentiment score holds at 5.0 out of 10, unchanged from last week. The score is a single judgment about the next 60 to 90 days for a Montana cow-calf operation selling calves. Ten is euphoric, one is distressed, five is neutral. It is not a forecast of a price — the bands in Section 2 are the forecast. It is a read on whether the balance of what we know is getting better or worse.

20.1 The Net Calf-Bid Signal Table

```
NET CALF-BID SIGNAL — $/cwt and $/head on a 600-lb Montana calf

Choice-Select spread:    -$3.60/cwt    -$22/head    (5-9 mo lag)
Slaughter + placements:  +$2.00/cwt    +$12/head    near-term (4-8 wk)
                         +$9.00/cwt    +$54/head    forward (5-9 mo)
Feeder/corn + PGM:       -$3.24/cwt    -$19/head    (1-4 wk lag)
Stock vs bred share:     -$3.50/cwt    -$21/head    (7-10 mo)
                         (plus -$65 to -$130/head on cull cows, current week)
PTI:                       +$2.00/cwt    +$12/head    (4-8 wk lag)

NET (near-term, <=4 wk):   -$1.24/cwt    -$7/head
NET (mid-term, 4-12 wk):   +$0.76/cwt    +$5/head
NET (forward, 5-9 mo):     +$1.90/cwt   +$11/head

Sensitivity note: the forward line turns on the placement coefficient. At the
low end of the codified range the forward net is -$2.60/cwt; at the high end it
is +$6.40/cwt. The midpoint is printed above. A 9% placement miss sits outside
the range those coefficients were calibrated on - read it as a large tailwind,
not as a precise figure.
```

20.2 Reconciling the Score to the Table

The table says near-term slightly negative, mid-term slightly positive, forward positive. A 5.0 is the honest reading of that. Nothing in this edition argues for moving the score, and that is unusual after a week in which six separate measures moved against the calf market.

What kept it from falling. Three things. The Cattle on Feed placement number — 1.617 million head, a thirty-year low for August, on top of a record-low July — is the strongest forward supply signal this report has carried all year, and it lands precisely in the window the Q4 and Q1 bands cover. The feedlot's arithmetic improved by about $34 a head on the Billings yearling and $22 a head on the board, because feeders fell harder than fats; a buyer whose math works is a buyer who bids. And the video market rose for the third consecutive sale while the futures board fell, which says the people actually taking delivery of calves disagree with the paper market.

What kept it from rising. Also three things, and they are not small. The Choice–Select spread narrowed $4.80 — the largest single negative here, and it hits the verified-quality premium that is the one part of the calf price a rancher directly controls. The packer's gross margin compressed $9.50 in a single week, which is a buyer bidding more carefully two to four weeks out. And **the PTI is a required input to this score**: at +5.3 percentage points it is GREEN and contributing roughly $2.00 per hundredweight of support, which is real but is a level reading rather than an improving one — the share has now been flat for two months rather than recovering toward its May peak.

Where that leaves a rancher. A 5.0 after a week this negative on the tape is a deliberate statement: the near-term price got worse and the reason to own cattle got better. If Billings prints lower again on Thursday and the Choice–Select spread narrows further, this score falls and the Q4 band comes under real pressure. If the board stabilises anywhere near $323 and the video market holds its trend, the placement number starts doing its work and both the score and the bands go up.

20. Risks and Watch Items for the Week Ahead

6. **The Choice–Select spread, and whether $4.80 was one week or a turn.** Cost if it continues at this pace: another $19 to $24 a head on verified calves, five to nine months out, and compounding. This is the largest single risk in the edition because it attacks the premium a rancher builds through genetics and weaning. Watch the daily cutout Monday through Wednesday.
7. **Whether the packer's margin compression reaches the bid.** A $9.50 one-week compression shows up in cattle buying two to four weeks out. If the 8-State Region's cash price breaks below $218 next week, the compression is being passed back and the calf market follows. Cash held at $222.82 this week, which is the thing holding the near-term together.
8. **Thursday's Billings sale.** The single cleanest test of whether this week's $9.00 futures decline was fully absorbed or has further to run at the barn. Last Thursday ran 1,014 head with a lower steer undertone. A second lower week confirms the trend; a steady week says the futures move is spent.

9. **The record corn long.** The funds hold 414,460 contracts net long — the largest in the eleven-year archive, two weeks running. That position has to come out eventually. When it does corn falls, which is good for calf prices, but the path there can be violent and the timing is unknowable. A rancher does not need to act on this; a rancher needs to not be surprised by it.
10. **The Pasco, Washington plant.** Still for sale, still no buyer reported. A failed sale widens Pacific Northwest basis and pushes Montana fed cattle and cull cows east on freight. This is the largest structural Montana-specific risk on the board and it has been unresolved for five weeks.
11. **Cull cow prices, and the narrowing return-to-feed premium.** The premium a fleshy cow earns over a straight slaughter cow fell from roughly $18 to roughly $8 to $12 per hundredweight as feed costs bit. If that premium closes entirely, fall cull-cow revenue drops another $100 or more a head at exactly the season Montana ships the most cows.
12. **Whether Montana's shallow-drought improvement reaches the deep-drought country before freeze-up.** Severe drought has not moved in three weeks and the coming week is dry. The 18 percent of the state in D2 or worse has a marketing clock that does not care about the statewide average.
13. **December 3, the country-of-origin labeling review deadline.** No calf-bid effect expected. It is on this list because it is the first date in the policy package that produces an actual document.

21. Hay Prices

A fresh report at last. USDA's Montana Direct Hay Report (AMS_2769) published Friday, September 18, 2026 for the week ending September 18 — the first new print since September 4, and the figures below are current rather than carried.

The tone: "Hay sold generally steady." Demand mostly moderate to good, supplies mostly moderate. USDA's narrative says demand has lightened because fall rains improved late-season grazing in some locations and available supplies are heavier. Northern Montana hay continues to trade at a discount to southern Montana as sellers compete with hay coming out of Canada and across Highway 2 from North Dakota — most of it delivered at **$180 to $230 a ton** depending on freight and quality. Demand to ship hay into Wyoming is good to very good. Producers are trying to put up third cutting and struggling to find a dry window. Straw is short and sold with higher undertones.

Class and grade	Bale	Tons	$/ton FOB
Alfalfa — Premium (3rd cut)	Large round	150	$280.00
Alfalfa — Good/Premium	Large round	500	$250.00
Alfalfa — Fair	Large square 3x4	200	$235.00
Alfalfa/Grass Mix — Premium	Large round	150	$300.00
Alfalfa/Grass Mix — Fair	Large round	150	$225.00
Alfalfa/Grass Mix — Utility/Fair (offer)	Large square 3x4	—	$230.00

Class and grade	Bale	Tons	$/ton FOB
Alfalfa/Barley Mix — Fair	Large round	200	$200.00
Grass — Premium	Large round	150	$230.00
Barley	Large square 3x4	300	$150.00

Volume: 4,000 tons of hay and 50 tons of straw confirmed, against 630 and 200 in the last reported week and 4,650 and 250 a year ago.

A necessary caution on week-over-week comparison. The grades that traded this week are not the grades that traded on September 4, so there is no matched grade to difference. A reader who lines up this week's $250 alfalfa round bale against the $170-to-$200 alfalfa squares in the last edition will see a price rise that did not happen — those are different products. **USDA's own comparison is the honest one: generally steady.** We are not manufacturing a percentage change out of a class change.

22.1 What Wintering Costs at These Prices

A dry pregnant cow eating roughly 2 percent of body weight in hay runs about **27 pounds a day on a 1,350-pound frame**. At the lead grass-hay price of $230 a ton that is **$3.11 a day**; at the lead good-to-premium alfalfa price of $250 a ton it is **$3.38**. Over a **150-day feeding period** that is **$466 to $506 a head** before waste, delivery or supplement. Add 15 percent for feeding waste and the range becomes roughly **$536 to $582 a head**. Every assumption there is stated so you can substitute your own.

Cost of gain. Backgrounding a calf on purchased hay at these prices runs the roughage portion of cost of gain near **68 to 75 cents a pound** before grain, yardage and interest, against the roughly $1.09 all-in figure a commercial yard achieves on a corn ration (Section 8). That gap is why Montana backgrounding works on raised hay and struggles on purchased hay.

Translation to the Montana calf bid. Hay steady rather than higher, against a drought map that has improved three weeks running, removes a reason to dump calves early. It does not create a reason to hold them — that argument lives in Sections 10 and 14. At $230 to $280 a ton, hay is expensive enough that **holding a 600-pound calf 60 extra days costs roughly $60 to $75 a head in feed alone**, which the calf must out-gain or out-appreciate to be worth doing. For operations on raised hay the calculation is very different and generally favours holding. Net effect on the calf bid: **neutral, and neutral is better than it has been.**

Source discipline. The Montana Direct Hay Report runs weekly to biweekly. This edition uses the September 18 print. The Wyoming and Western Nebraska hay report (BL_GR310) has not published since 2020 and is not a live source.

22. Sources

- USDA AMS, **Montana Weekly Livestock Auction Summary** (AMS_1778), report for 9/6/2026–9/12/2026, published Monday September 14, 2026.
- USDA AMS, **Billings Livestock Commission Cattle Auction — Billings, MT (Thu)** (AMS_1777), sale of September 17, 2026, final.

- USDA AMS, **Public Auction Yards Livestock Cattle Auction — Billings, MT (Wed)** (AMS_1774), sale of September 16, 2026, final.
- USDA AMS, **Miles City Livestock Commission Auction — Miles City, MT** (AMS_1773), sale of September 15, 2026, final.
- USDA AMS, **Public Auction Yards Livestock Cattle Auction — Billings, MT (Fri)** (AMS_1776), most recent report February 27, 2026; Friday specials seasonal and not yet resumed.
- USDA AMS, **National Weekly Boxed Beef Cutout and Boxed Beef Cuts — Negotiated Sales** (AMS_2461 / LM_XB459), week ending September 18, 2026.
- USDA AMS, **5 Area Weekly Weighted Average Direct Slaughter Cattle** (AMS_2477 / LM_CT150), week ending Sunday September 13, 2026, published September 14, 2026, with a correction to negotiated cash dressed FOB.
- USDA AMS, **Estimated Weekly Meat Production Under Federal Inspection** (SJ_LS712), St Joseph MO, Friday September 18, 2026, for the week ending Saturday September 19, 2026.
- USDA NASS, **Cattle on Feed** (ISSN 1948-9080), released September 18, 2026.
- USDA AMS, **Montana Direct Hay Report** (AMS_2769), week ending September 18, 2026, published Friday September 18, 2026.
- USDA AMS, **Import Beef Trade** (AMS_2823 / NW_LS421), report for September 18, 2026.
- USDA AMS, **Weekly Grocery Store Beef Feature Activity** (AMS_3228), advertised prices for the period September 12 to September 24, 2026, published Friday September 18, 2026.
- USDA AMS video auction series: **Western Video Market** (AMS_3242) sale of September 16, 2026; **Northern Livestock Video Auction** (AMS_2772) sale of September 14, 2026; **Superior Livestock Auction** (AMS_2713) sale of September 4, 2026.
- USDA ERS, **Meat Price Spreads** data product, most recent published month; five-year average computed from the ERS annual farmers'-share series, 2021–2025.
- USDA RMA, **Livestock Risk Protection** published daily rates, Montana feeder cattle, sales effective date September 17, 2026.
- CFTC, **Disaggregated Commitments of Traders — Futures Only**, positions as of Tuesday September 15, 2026, released Friday September 18, 2026.
- CME Group settlements for Friday September 18, 2026 and Friday September 11, 2026, as reported in the daily closing futures summary published by Brownfield Ag News.
- National Drought Mitigation Center, **U.S. Drought Monitor**, Montana state statistics, map dates September 1, September 8 and September 15, 2026.
- NOAA National Weather Service gridpoint forecasts, Great Falls (TFX) and Houston/Galveston (HGX) offices, retrieved September 20, 2026.
- USDA APHIS, **New World Screwworm** agency announcements: United States confirmation June 3, 2026; New Mexico infested zone released August 30, 2026; Douglas, Arizona port reopening August 24, 2026.
- USDA FSIS recall notice, Corte Argentino USA LLC, announced August 11, 2026.
- The White House, presidential actions of September 4, 2026 on ranchers and on livestock market competition; USDA press releases of August 31 and September 4, 2026 and usda.gov/ranchers-first.

- Honest Cattle Market Index, methodology v2.0, and the Honest Cattle feed-cost pass-through model (AMPC/Marsh method re-estimated on USDA data 2000–present, data month July 2026).

23. Comparison to Prior Week

Line by line against the September 14 edition, with the numbers behind every row.

Measure	Sept 14 edition	This edition	Change
Q3 2026 band, 550–599 steer	$460–495 (mid 477)	$460–495 (mid 477)	HELD
Q4 2026 band, 550–599 steer	$443–478 (mid 460)	$443–478 (mid 460)	HELD
Q1 2027 band, 550–599 steer	$445–480 (mid 462)	$445–480 (mid 462)	HELD
Sentiment	5.0	5.0	HELD
HCMI	133.9 (wk 09/05, provisional)	133.3 (wk 09/19, provisional)	09/05 reconciled to 133.1; 09/12 printed 136.1
HCMI, like-for-like week over week	—	136.1 → 133.3	−2.8 as printed, −2.0 adjusted for the contract roll
HCMI forward, October	130.8	128.7	−2.1
HCMI forward, March 2027	132.4	130.3	−2.1
Oct feeder futures (GFV26)	$332.50	$323.50	−$9.00
Oct live cattle (LEV26)	$219.67	$215.92	−$3.75
Dec corn (ZCZ26)	$5.30¼	$5.27½	−2¾¢
Feeder/corn ratio	62.7	61.3	−1.4
Board feeding margin	−$39.51/head	−$17.38/head	+$22.13 (better)
Feedlot loss, Billings yearling	−$489.16/head	−$454.86/head	+$34.30 (better)
Billings yearling print	778 lb @ $379.00	769 lb @ $367.00	−$12.00/cwt
Choice cutout	$378.17	$374.26	−$3.91
Select cutout	$353.24	$354.13	+$0.89
Choice–Select spread	$24.93	$20.13	−$4.80
Packer gross margin	$33.05/cwt	$23.55/cwt	−$9.50
Cattle slaughter	505,000	529,000	+24,000 (+4.8%)
Slaughter vs year ago	−11.9%	−5.4%	gap narrowed
Year-to-date cattle slaughter	—	−7.5% YoY	the durable number
Monthly feedlot placements	1.42 million, July, −11%	1.617 million, August, −9%	new report; record low August
Cattle on feed, September 1	11.1 million, Aug 1, +2%	11.163 million, +1%	new report
8-State Region confirmed head	40,678	41,379	+701 (+1.7%)
8-State Region steers, live FOB	—	$222.82	vs $215.92 futures: cash $6.90 over

Measure	Sept 14 edition	This edition	Change
Montana barns reporting	1 (Billings, 2,020 hd)	3 (Miles City, PAYS, Billings; 3,195 hd)	+2 barns
MT boner cow, avg dressing	$143.67 (AMS_1778, wk 9/5)	$142.75 (barn composite, 86 hd)	−$0.92
MT boner return-to-feed premium	$18.22/cwt	≈$8–12/cwt	narrowed
Replacement composition, bred share	6% bred (AMS_1778, wk 9/5)	27% bred, 0% bred heifers (203 hd)	different sample weeks
Video, 600–649 steers, best sale	no Montana-relevant sale	$439.27 on 1,780 hd (WVM 9/16)	third consecutive higher video
Rancher share (PTI)	51.1% August, +5.3pp GREEN	51.1% August, +5.3pp GREEN	no new USDA month; next update Oct 14
Montana DSCI	156	148	−8, third straight improvement
Montana D0 or worse	79.95%	77.50%	−2.45pp
Montana D2 or worse	18.14%	18.09%	−0.05pp (essentially unchanged)
Accuracy: n / bias / MAD	7 / −$26.45 / $38.83	8 / −$33.13 / $43.96	worse; class mismatch unfixed
Accuracy: R^2	0.529	0.51	essentially unchanged
Managed money, corn net long	414,459	414,460	+1 — still the 11-year record
Managed money, feeders net	7,448	7,211	−237 (66th percentile)
Feeder cattle open interest	62,097	59,633	−2,464 (−4.0%) — liquidation
LRP Dec 95% floor, 600–900 lb steers	$308.00	$297.31	−$10.69
Grocery Activity Index	114,128	100,653	−11.8%
Grass-fed ground premium	$2.06/lb (34.0%)	$2.85/lb (43.8%)	+$0.79 (feature-driven)
Montana hay	carried from 9/4 print	fresh 9/18 print, "generally steady"	current data restored

What that table says in one paragraph. Of the forty-two lines above, the near-term price lines moved almost uniformly against the calf market — futures, cutout, spread, packer margin, price-insurance floor, grocery activity — while the structural lines moved almost uniformly for it: record-low placements, a feedlot margin that improved $22 a head, a video market up for the third straight sale, drought improving a third week, and hay steady instead of higher. The two sets nearly cancel, which is why the bands are held and the sentiment score does not move. The lines that would have to break for the hold to become a cut are the Choice–Select spread and Thursday's Billings sale.

24. Appendix A — Cattle on Feed, September 18, 2026: the deep read

USDA's Cattle on Feed report is the monthly census of cattle in feedlots with 1,000 head or more of capacity. It is the single best forward look at beef supply that exists, because a steer placed today is beef in five to nine months and nothing can change that. The September 18 release covered August.

Item	August 2025	August 2026	Percent of prior year
On feed August 1 (1,000 head)	10,922	11,117	102
Placed on feed during August	1,780	1,617	91
Fed cattle marketed during August	1,571	1,519	97
Other disappearance	**51**	**52**	**102**
On feed September 1	11,080	11,163	101

A.1 What is genuinely new here

August placements at 1.617 million head are the lowest August in the thirty years USDA has kept the series. July was also a record low for its month, at 1.422 million and down 11 percent. Two consecutive record-low placement months is a statement about the size of the calf crop available to be placed, not about feedlot appetite. The cattle simply are not there.

Marketings at 1.519 million were also the lowest August on record, down 3 percent. Marketings falling more slowly than placements is how an on-feed inventory stays up 1 percent while the pipeline behind it empties. That is the shape of the whole report: the number in the yards today is fine; the number arriving behind it is not.

The placement weight breakdown. Under 600 pounds, 320,000 head; 600 to 699, 240,000; 700 to 799, 355,000; 800 to 899, 387,000; 900 to 999, 230,000; 1,000 and over, 85,000. The heaviest three categories together are 702,000 head, 43 percent of all placements. Heavy placements finish faster, which pulls supply forward and thins the back end further.

A.2 How it lines up with a herd at a 75-year low

USDA frames the Ranchers First initiative against a United States cattle herd at its smallest in 75 years. Placements are the mechanism by which that herd size becomes a beef supply, and the mechanism is now running visibly short two months in a row. Montana's own data agrees from a different direction: the elevated heifer share at the barn (Section 6) and the absence of any bred heifer trade at all (Section 14) both say the breeding herd is not being rebuilt yet. A herd that is not rebuilding cannot produce more calves to place.

A.3 The parts that are not bullish, stated plainly

- **On-feed inventory is still up 1 percent.** There is no shortage of fed cattle right now. The tightness is a 2027 event, not a fourth-quarter 2026 event, and a rancher selling calves in October gets paid on today's market.
- **Low placements are partly a demand signal, not only a supply signal.** Feedlots losing $455 a head on paper (Section 8) place fewer cattle by choice. Some of this record low is yards declining to buy at these prices, and that portion is bearish for the calf bid, not bullish — it is the buyer stepping back.
- **Heavy placements pull supply forward.** Forty-three percent of August placements weighed 700 pounds or more. Those cattle reach the rail sooner, which fills the spring window the low placement number is supposed to empty.
- **The market had largely priced it.** Feeder futures fell $9.00 during the week the report landed, including on Thursday ahead of it. A record-low placement number that arrives into a falling board is a number the trade partly expected.

A.4 The honest bottom line

This is a genuinely bullish report for calves that will be finished in the spring and summer of 2027. It is close to neutral for calves being sold this October, and the feedlot's willingness to place is the part that could make it bearish. The forecast bands it supports are Q4 2026 and Q1 2027, which is why those bands are held rather than cut in a week the tape fell.

25. Appendix B — Cattle on Feed against the Honest Cattle rubric

Honest Cattle grades every major data release on five tests before letting it move anything. The tests are the same regardless of which agency issues the report or whether the answer flatters our forecast.

Test	Verdict	Reasoning
1. Is it new information, or a restatement?	**New**	August placements had not been published before. A thirty-year record low is not a restatement of anything.
2. Is it measured or modelled?	**Measured**	A survey census of feedlots with 1,000+ head capacity. Subject to revision but not to modelling assumptions.
3. Does it move a Montana calf bid?	**Yes, forward**	Placements become slaughter cattle 5 to 9 months out, which sets the fed-cattle price the feedlot bids against. It does not move the October bid.
4. When?	**5 to 9 months**	Cattle placed in August 2026 market between January and May 2027. The effect lands in the Q1 and Q2 2027 windows.
5. How much?	**Range, not a point**	The codified rule is $0.50 to $1.50 per hundredweight per 1 percent of placement decline. At −9 percent that is $4.50 to $13.50 per hundredweight — a range too wide to publish as a single number, because the rule was calibrated on ordinary swings.

B.1 What the rubric will not let us say

We will not multiply 9 percent by a midpoint coefficient and print the answer as a forecast. The coefficients in this report's sidebars were fitted on ordinary month-to-month placement variation of one to four percent. A nine percent miss is outside the range they were built on, and extrapolating a linear rule past its calibration is how confident-sounding numbers become wrong numbers. Section 19's net signal table prints the midpoint with the full range beside it and says which is which.

We will not treat it as a reason to raise the Q4 2026 band. Test 4 says the effect lands in 2027. Q4 2026 calves are priced off today's fed-cattle market and today's feedlot margin, both of which this week's data described directly and neither of which improved because of a report about August.

B.2 What it does earn

It earns the hold. In a week where six near-term measures moved against the calf market, the reason Honest Cattle is not cutting its Q4 2026 and Q1 2027 bands is that the supply fundamental underneath those quarters strengthened materially. That is a defensible use of a forward-looking measured number, and it is the only thing this report is using it for.