MARKET REPORT

Cattle Market Outlook for Kauai Ranchers

Current mainland conditions, Mexico border reopening, fall and spring expectations, and the Hawaii price basis

Prepared for	Kauai Cattlemen's Association members
Market date	August 19, 2026
Purpose	Support calf-marketing and retained-ownership decisions

Bottom line: The U.S. cattle market remains historically strong, but feeder prices are correcting from the spring highs. The futures curve points lower through early 2027. Kauai ranchers should market ordinary, sale-ready calves into strong bids and retain cattle only when low-cost gain clearly exceeds freight-adjusted price risk.

1. Current market position

The market is strong in absolute terms, but the direction has softened. Tight national cattle supplies continue to support prices. At the same time, feeder futures have moved below their recent highs, corn has strengthened, and buyers are preparing for a phased return of Mexican feeder cattle.

Market indicator	August 19 snapshot	What it signals
August feeder futures	$336.85/cwt	Historically high, but below recent highs
September feeder futures	$329.13/cwt	Softer near-term expectation
October feeder futures	$322.05/cwt	Further fall pressure
Choice boxed beef	About $395/cwt	Beef demand and wholesale value remain supportive
Select boxed beef	About $365/cwt	Wide Choice-Select spread

Note: Futures and boxed-beef values are delayed market snapshots and change during the trading day.

2. Supply fundamentals remain supportive

- **U.S. beef cows** totaled 28.5 million head on July 1, 2026, down 1% from a year earlier.
- **The 2026 calf crop** was estimated at 32.5 million head, down 2% from 2025.
- **Cattle on feed** totaled 13.2 million head, up 2%, creating some near-term fed-cattle supply even while the breeding herd remains tight.

Interpretation: The market can decline from record levels without becoming weak. Smaller cow and calf numbers should place a floor under prices, while additional feedlot supplies and imports can reduce the extreme premiums paid earlier in 2026.

3. Mexico border reopening

The border is not fully open. USDA plans to reopen the Douglas, Arizona, port on August 24, 2026. Santa Teresa and Columbus, New Mexico, remain subject to later decisions, and all other southern livestock ports remain closed. Every animal entering through the reopened port is subject to USDA inspection for New World screwworm.

- **Mexico supplied** roughly 62% of U.S. live-cattle imports from 2020 through 2024.
- **Most Mexican imports** are lighter cattle intended for U.S. stocker and feedlot programs.
- **More imported feeders** increase feedlot buying options and can reduce competition for U.S. calves.

Market implication: Opening one port is a moderate bearish factor, not a market-breaking event. The larger downside risk would be the successful reopening of several ports and a return toward normal import volumes.

4. Fall 2026 and spring 2027 outlook

The futures curve is downward sloping. This means the market currently expects lower feeder values in later delivery months. It is a forecast embedded in traded prices, not a guarantee.

Contract month	Approx. futures	Change from Aug.
August 2026	$336.85/cwt	Baseline
September 2026	$329.13/cwt	-$7.72/cwt
October 2026	$322.05/cwt	-$14.80/cwt
November 2026	$314.08/cwt	-$22.77/cwt
January 2027	$305.43/cwt	-$31.42/cwt
March 2027	$301.35/cwt	-$35.50/cwt

Illustration: A $30/cwt decline changes the gross value of an 800-pound feeder by about $240 per head. The actual effect on a 500-pound Kauai calf will differ because lighter calves carry a different price slide and a Hawaii freight basis.

5. Kauai price compared with mainland prices

Current Kauai steer offer: $2.80 per pound at a 500-pound base, with the price sliding back $0.15 per pound for each additional 100 pounds over 500. Last month's reported price was $3.50 per pound for 500-pound steers.

Steer weight	Price with slide	Gross value/head
500 lb	$2.80/lb.	$1,400
600 lb	$2.65/lb.	$1,590
700 lb	$2.50/lb.	$1,750

Price movement: At the 500-pound base, the current $2.80 price is $0.70 per pound, or 20%, below last month's $3.50 price. That equals $350 less gross value on a 500-pound steer.

Indicative July mainland benchmarks for comparable 500-550 pound Medium and Large No. 1 steers were approximately $4.19 per pound in Tennessee and $4.56 per pound at Oklahoma City.

Market	Price/lb.	500-lb gross
Kauai current offer	$2.80	$1,400
Kauai sale last month	$3.50	$1,750
Tennessee benchmark	$4.19	$2,097
Oklahoma City benchmark	$4.56	$2,281

Important: The mainland figures are auction-market gross values. They are not directly comparable with an island ranch bid until arrival shrink, ocean or air freight, interisland movement, mainland trucking, health documentation, commission, death or injury risk, and buyer margin are deducted.

6. Why island and mainland values differ

Last month's arrival scenario	Mainland value	Amount available for all remaining costs
475 lb at $4.19/lb. (5% shrink)	$1,992	$242/head
460 lb at $4.19/lb. (8% shrink)	$1,929	$179/head
475 lb at $4.56/lb. (5% shrink)	$2,167	$417/head
460 lb at $4.56/lb. (8% shrink)	$2,099	$349/head

Conclusion on the $3.50 bid: It was a strong Kauai price and appears commercially reasonable when the buyer is responsible for shrink, transportation, cattle losses, marketing costs and operating risk. The mainland comparison is included only to explain why island prices differ. A dependable island buyer must recover these costs and remain profitable in order to provide Kauai ranchers with a stable market.

7. Genetics and cattle management: adding saleable pounds

The most sustainable way for Kauai ranchers to earn more is to produce more pounds of healthy, uniform and market-ready calves per cow exposed. Better management and carefully selected breeding bulls can increase weaning weights, improve buyer confidence and spread fixed shipping costs across more saleable pounds.

Genetics and breeding bulls

- **Use breeding bulls** with proven calving-ease, weaning-weight and yearling-weight EPDs that fit the cow herd and Kauai forage conditions.
- **Do not chase** maximum growth alone. Balance added pounds with fertility, feet and leg soundness, disposition, mature cow size and the ability to perform on grass.
- **Evaluate bulls** on the pounds and quality of calves they actually produce. Compare sire groups using birth weight, adjusted weaning weight, calf health and uniformity.
- **Retain daughters** from cows and sires that breed back on time and consistently wean a heavier calf. Reproductive efficiency is a major driver of pounds sold per cow exposed.

Management that protects weight and health

- **Maintain a defined** breeding and calving season so calves can be marketed in larger, more uniform groups.
- **Pregnancy-check cows** and cull open or consistently late-calving females so forage is directed toward productive cows.
- **Weigh calves** and track weaning weight by dam and sire. Keep daughters and buy bulls from genetics that consistently produce more saleable pounds.
- **Castrate, dehorn** when necessary, vaccinate and prepare calves early. A documented health program reduces buyer risk and supports stronger demand.
- **Precondition and wean** calves before shipment when forage, facilities and economics allow. Lower stress and fewer health problems protect both the rancher and the buyer.

Example: Adding 40 pounds to a calf increases gross sale weight by 8% on a 500-pound steer. The price per pound may slide as weight increases, so the goal is not simply heavier cattle. The goal is low-cost, healthy pounds produced efficiently and consistently.

Shared success: Ranchers benefit when buyers can rely on healthy, uniform cattle with predictable performance. Buyers benefit from lower death loss, fewer health problems and more saleable pounds. Improving cattle quality strengthens both sides of Kauai's cattle market.

Sources and notes

1. **USDA Agricultural Marketing Service.** National Daily Feeder and Stocker Cattle AM Summary, August 19, 2026.
2. **USDA Agricultural Marketing Service.** National Daily Boxed Beef Cutout and Boxed Beef Cuts.
3. **USDA National Agricultural Statistics Service.** United States Cattle Inventory Report, July 24, 2026.
4. **USDA APHIS.** Current Status of New World Screwworm and Southern Port Closures.
5. **USDA APHIS.** USDA Announces Phased Reopening of Southern Ports to Livestock Trade, July 24, 2026.
6. **USDA Economic Research Service.** Cattle and Beef - Sector at a Glance.
7. **USDA Agricultural Marketing Service.** Weekly Tennessee Cattle and Grain Summary.
8. **CME Group.** Feeder Cattle Futures Quotes.
9. **CEIC Data using livestock-market data.** Oklahoma City 500-550 lb. Medium No. 1 steer price series, July 2026.

Method note: *All comparisons are indicative. Cattle class, lot size, uniformity, genetics, health program, weaning status, flesh, horns, location, sale method and timing can materially change price. Futures represent standardized mainland feeder cattle and are not a direct cash quote for a 500-pound Kauai calf.*