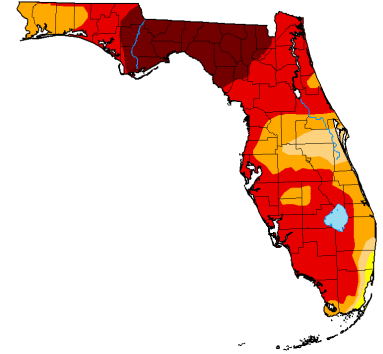




## Drought, Input Costs, & Heifers on Feed

The first four months of 2026 have not fallen short of keeping things interesting, for lack of a better term, in the cattle industry. Despite rising cattle prices, hesitancy to rebuild is growing as severe drought conditions persist, input costs increase, and uncertainty grows as to if this market will turn sooner rather than later. Cattle prices are expected to remain strong due to tight supplies and strong consumer demand, making for another year of favorable returns for producers. However, challenges currently facing the industry will have long-term repercussions in terms of increasing herd numbers and beef supply.

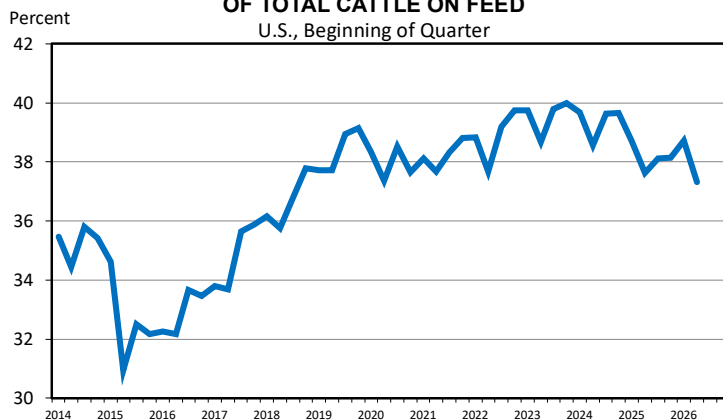


As of April 16<sup>th</sup>, 100% of the state of Florida is experiencing some level of drought with 71% experiencing extreme or exceptional drought conditions. Prolonged drought conditions combined with the unusual freezing temperatures at the beginning of the year have resulted in stressed forages and weed emergence. Compensating for limited forages makes it challenging to maintain an existing herd's nutritional requirements, further hindering the decision to increase herd numbers. We have officially transitioned from La Nina into an ENSO-neutral pattern that is expected to quickly move into El Nino this summer, hopefully bringing some much-needed rain soon.

In addition to drought conditions, fertilizer and fuel costs have risen well above year ago levels due to the Iran war. Average diesel fuel prices in April are 55% higher than in April 2025, with prices reaching over \$6.00/gallon in some areas. March prices in the Southeast for potash, UAN, and urea, were 5%, 52%, and 50% higher year over year, respectively. Increases in fertilizer costs influence decisions on how much fertilizer to purchase, potentially resulting in reductions in forage quality and yield throughout the rest of this year. Without adequate forage and with increases in input costs, the thought of increasing herd numbers through heifer retention moves to the back of the line.



**HEIFERS ON FEED AS A PERCENT OF TOTAL CATTLE ON FEED**  
U.S., Beginning of Quarter



Data Source: USDA -NAASS, Compiled by LMIC  
Livestock Marketing Information Center

04/17/26

The latest quarterly cattle on feed report indicated that 37.3% of all cattle on feed were heifers. This is a decline of 1.4% or 60,000 head from April 2025. While this is the lowest percentage of heifers on feed since 2018, it is still not a large enough decline to indicate heavy heifer retention. The 20-year average of this percentage is also 37.3%. The percentage has declined since its peak at 40% in October 2023, which is a good sign of movement in the right direction. Decisions have already been made to stabilize by holding more heifers back this year as we saw in the USDA Cattle Inventory report. But rising costs and forage availability could prolong the shift from stabilizing to rebuilding if the resources are not there to support the growth.

Questions, contact Hannah at [h.baker@ufl.edu](mailto:h.baker@ufl.edu)

See this update and other helpful resources online at <https://rcrec-ona.ifas.ufl.edu/about/directory/staff/hannah-baker/>

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