

Costs to Produce Beef in Illinois—2025

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Total economic returns in 2025 for Illinois beef feeding enterprises exceeded total costs by \$35.98 per 100 pounds of beef produced in preliminary findings for farms enrolled in Illinois Farm Business Farm Management (see Table 1). The 2025 returns were higher than the 2024 total returns above feed costs of \$17.30 per 100 pounds produced. Total returns have exceeded total economic costs in five out of the last ten years. The 2025 level of return above all costs was \$30.01 per 100 pounds beef produced above the average return above all costs for the 2016 through 2025 period. Figure 1 illustrates average returns, cash operating costs and total costs for this same period.

Higher prices received contributed to the higher total returns for these enterprises. Total returns per 100 pounds produced increased from \$142.46 in 2024 to \$154.09 in 2025. Total returns for 2025 were the highest on record. The average price received per 100 pounds of beef sold of \$210.18 was 17 percent higher than 2024. This price was the highest price received since this study began and the first time over \$200 per 100 pounds of beef sold. The average price paid for

feeder cattle replacements in 2025 of \$361.07 was 27 percent higher than 2024. This was the highest price paid for feeder cattle replacements. The price paid for feeder cattle in 2014, 2015, 2023 and 2024 were the only years where the price paid averaged over \$200.00 per hundredweight with 2025 being over \$300 per hundredweight. The purchase cost of feeder cattle is subtracted from finished cattle sales in determining total returns per 100 pounds produced.

Lower costs added to higher gross receipts which led to higher returns above all costs as compared to 2024. Feed costs decreased 4 percent in 2025 as compared to 2024. Feed costs were \$66.52 per 100 pounds produced in 2025 compared to \$69.50 in 2024. Non-feed costs decreased from \$55.64 per 100 pounds produced in 2024 to \$51.59 in 2025. Other Interest costs of \$13.43 per 100 pounds produced made up the largest portion of the non-feed costs. Feed and non-feed costs were \$118.11 per 100 pounds produced in 2025. Total costs in 2025 were \$7.05 per 100 pounds produced below 2024 and \$14.64 above the last ten-year average of \$103.48. Excluding the cost of feeder cattle, feed costs

were 56 percent of the total cost to produce beef in 2025, compared to 62 percent for the four-year average.

Total cash costs in 2025 averaged \$93.28 per 100 pounds of beef produced. This cost was \$4.41 per 100 pounds produced below 2024 costs on the same farms and \$12.34 below the 2022-2025 average. This cost includes all grain fed priced at average market price for the year—corn \$4.35 per bushel. Roughage fed was valued at on-farm market prices while protein and minerals were valued at cost. The study assumes all feeds fed had alternative markets other than for feed to cattle. Other cash costs include utilities, machinery, equipment and building repairs, machine hire and fuel, insurance, taxes, and overhead, as well as an interest charge on investment in cattle.

Total costs, both cash and non-cash, on these farms, including depreciation, labor and an interest charge on facilities used, were accounted for in either crop or livestock production. The farms had no other kinds of livestock enterprises. These were considered farms specializing primarily in beef production. These results were compiled from records kept by farmers enrolled in the Illinois Farm Business Farm Management (FBFM) Association program.

Note in Table 1 that the 2022-2025 average total returns per 100 pounds of beef produced of \$145.88 is \$40.26 above the average total cash costs of \$105.62 for this period. The returns above cash costs have fluctuated from

\$18.99 per 100 pounds gain in 2023 to \$60.81 in 2025. Producers may decide to continue to feed cattle if there is at least a small return after cash costs are paid but will be hesitant to expand production without an equitable return to cover depreciation, labor, and interest on investment costs.

During the last ten years, the average pounds of beef produced in this sample have fluctuated. In 2025, operators in this group produced an average of 6,874 hundredweight of beef or finished 1,447 head of cattle at 475-pound gain equivalents. In 2024, operators produced an average of 4,428 cwt. of beef, or 932 head, and in 2016 they produced an average of 4,082 cwt. of beef, or 652 head. These producers also farmed an average of 698 tillable acres in 2025.

Returns to cattle feeders increased in 2025 compared to 2024 and were above the last four-year average. The increase in price received was the main factor in the increased returns. Lower costs helped to increase the higher returns. Forecasts for 2026 using the United States Department of Agriculture's Livestock, Dairy and Poultry Outlook: April 2026 as a guide shows that beef production is estimated to decrease by about 1% and thus market cattle prices are expected to increase by about 8%. Returns for 2026 will increase due to higher cattle prices. Feed costs will be like 2025 with projected grain and forage prices. However, non-feed costs are expected to increase. With these factors combined, returns to all costs for 2026 will be similar to 2025.

Table 1. Costs and Returns for Beef Feeding Enterprises, 2022-2025^f



	2025 ^f	2024	2023	2022	Average 2025 ^f -22
Number of farms	7	12	20	8	12
Average per farm					
Tillable acres	698	525	1,478	828	882
Hundredweight beef produced	6,874	4,428	11,825	8,074	7,800
Number head @ 475-lb. gain equivalents	1,447	932	2,490	1,700	1,642
Average weight purchased, lb	634	576	623	689	631
Average weight sold, lb	1,406	1,353	1,363	1,370	1,373
Price received per 100 lb. sold	\$210.18	\$179.45	\$167.79	\$143.57	\$175.25
Price paid per 100 lb. purchased	\$361.07	\$285.21	\$212.22	\$160.63	\$254.78
per 100 pounds of beef produced					
Cash costs					
Feed ^a	\$66.52	\$69.50	\$96.03	\$85.94	\$79.50
Operating expenses					
Maintenance and power ^b	9.28	9.67	9.12	8.76	9.21
Livestock expense	5.24	7.77	6.57	3.95	5.88
Insurance, taxes and overhead	1.78	1.26	1.34	1.74	1.53
Interest on cattle ^c	<u>10.47</u>	<u>9.49</u>	<u>13.27</u>	<u>4.79</u>	<u>9.50</u>
Total operating expense	\$26.76	\$28.19	\$30.30	\$19.24	\$26.12
TOTAL CASH COSTS	\$93.28	\$97.69	\$126.33	\$105.18	\$105.62
Other costs					
Depreciation ^d	\$5.73	\$5.24	\$4.90	\$5.25	\$5.28
Labor	5.67	5.42	5.69	4.52	5.32
Interest on other capital	<u>13.43</u>	<u>16.81</u>	<u>10.87</u>	<u>4.93</u>	<u>11.51</u>
TOTAL OTHER COSTS	\$24.83	\$27.47	\$21.46	\$14.70	\$22.11
TOTAL ALL COSTS	\$118.11	\$125.16	\$147.78	\$119.88	\$127.73
Total returns ^e	<u>\$154.09</u>	<u>\$142.46</u>	<u>\$145.31</u>	<u>\$141.65</u>	<u>\$145.88</u>
Returns above all costs	\$35.98	\$17.30	(\$2.47)	\$21.77	\$18.14

^a All grain fed was priced at average market price for the year. Market values were used for roughage fed while protein and minerals were charged at cost. Assumes all feed fed were marketable.

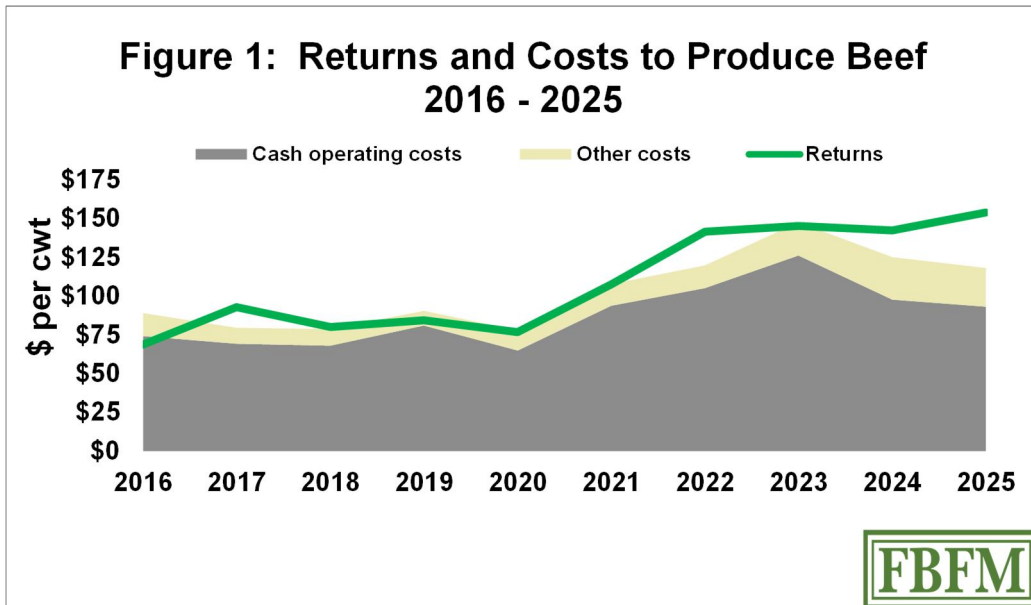
^b Includes utilities, machinery, equipment and building repairs, machine hire and fuel.

^c Interest is a charge on average value of beginning- and end-of-year inventories on hand. Rate was 4.0% for 2022, 7.5 percent for 2023, 8.0 percent for 2024, and 7.0 percent for 2025.

^d Includes machinery, equipment, and building depreciation.

^e Sales less cost of purchased animals plus or minus inventory value change. No credit has been calculated for reduced fertility cost for manure applied to crops.

^f Preliminary data for 2025



The author would like to acknowledge that data used in this study comes from Illinois Farm Business Farm Management (FBFM) Association. Without their cooperation, information as comprehensive and accurate as this would not be available for educational purposes. FBFM, which consists of 4,900 plus farmers and 80 plus professional field staff, is a not-for-profit organization available to all farm operators in Illinois. FBFM field staff provide on-farm counsel with recordkeeping, farm financial management, business entity planning and income tax management. For more information, please contact the State FBFM Office located at the University of Illinois Department of Agricultural and Consumer Economics at 217-333-8346 or visit the FBFM website at www.fbfm.org.

References

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