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The US Beef Industry in a Time of Trade Tensions

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Since his inauguration in January 2025, President Trump has systematically raised tariffs on imports from nearly all major trading partners. These measures have been enacted under authorities such as the International Emergency Economic Powers Act and Section 232 of the Trade Expansion Act (Burkhart and Hammond, 2025). Tariffs can reduce trade, investment, and output by increasing costs and disrupting supply chains, often leading to long-term inefficiencies. Trade policy uncertainty further amplifies these effects by discouraging business investment and slowing economic decision-making—even in the absence of new tariffs (Luckstead and Devadoss, 2025). For the US beef sector, already grappling with supply constraints and global competition, these trade actions have added pressure to an already strained industry.

The beef sector remains a cornerstone of American agriculture, having undergone notable transformations over the past decade. Both imports and exports play a crucial role in shaping the US beef industry and agricultural trade overall. Although imports account for only 17% of US beef consumption and exports represent 10% of domestic production (USDA-FAS, 2025a), beef consistently ranks among the top 10 agricultural imports and top 5 agricultural exports in the United States (USDA-FAS, 2025b).

Figure 1 shows US beef consumption and trade from 2010 to 2024. Consumption has remained relatively stable, with modest growth, from around 26 billion pounds in 2010–2012 to almost 29 billion pounds in 2024. During this period, imports have grown significantly, rising from about 2.3 billion pounds to 4.6 billion pounds, with the fastest growth occurring in the last few years. Exports also increased overall but at a slower pace, peaking around 2018 before slightly declining. The widening gap between imports and exports in recent years suggests increasing reliance on foreign countries for US demand. It is important to note, however, that most beef imports are different from exports. The US usually imports leaner and lower-cost cuts used for ground beef production, while exports are mostly high-value, grain-fed cuts like steaks and ribs that appeal to premium markets abroad (Brower, 2022).

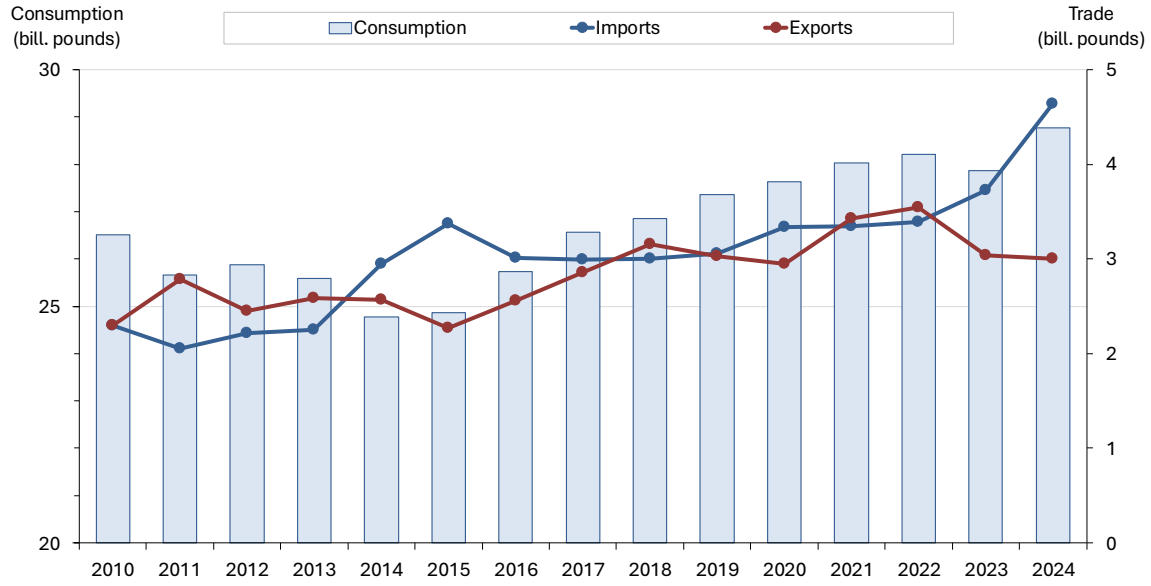
In this article, we examine recent trends in US beef production and trade, highlighting how the sector has adapted to shifting global consumption patterns and domestic supply constraints. We also assess the impact of recent tariffs and trade tensions on US beef imports from key suppliers such as Canada, Mexico, and Brazil. While these policies are often framed as protective measures for American producers, they may inadvertently raise costs for processors and consumers. On the export side, we explore the effects of current trade tensions and how major beef-producing countries like Brazil have expanded their global market share, outcompeting US beef in key international markets.

This article provides a comprehensive overview of how trade tensions, international competition, and shifting supply and demand have collectively influenced the structure and performance of the US beef industry in recent years. Understanding these shifts is essential not only for policymakers and industry stakeholders but also for consumers, whose choices and costs are increasingly shaped by international trade.

Shrinking Herds and Rising Prices

Understanding the current state of US cattle inventory and beef production is essential to evaluating trade dynamics, as domestic supply levels directly influence imports, exports, and prices. The US cattle herd has continued to shrink, marking sixth straight years of decline. According to the USDA January 2025 cattle report (USDA-NASS, 2025), the total number of cattle and calves dropped by about 1% from the previous year, bringing the herd inventory to its lowest level since 1952. This ongoing reduction is part of a broader cattle cycle that began in 2014 and has now lasted 11 years, resulting in the third-longest decline in US history.

Figure 1. US Beef Consumption and Trade, 2010–2024

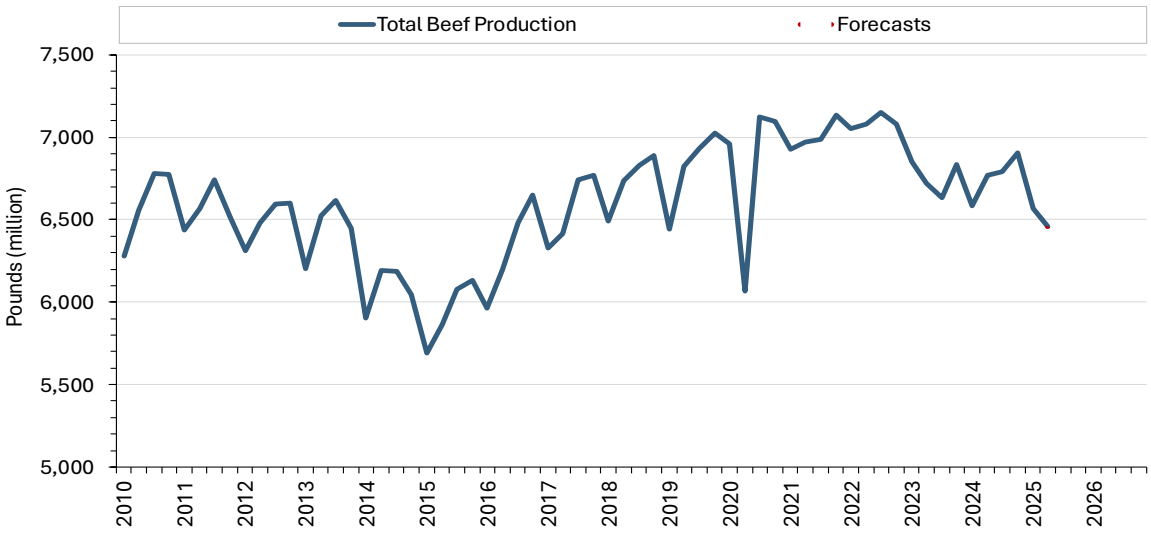


Source: USDA-FAS (2025a).

As expected, lower cattle inventories translate directly into reduced beef production. Figure 2 shows quarterly US beef production from the first quarter of 2010 through the second quarter of 2025, with forecasts extending through the third quarter of 2026 (LMIC, 2025; USDA-AMS, 2025). Production peaked in the third quarter of 2022 at 7.1 billion pounds and has since trended downward. Over the past 15 years, the average quarterly production has been approximately 6.5 billion pounds. The most recent data from the second quarter of 2025 show production at less than 6.4 billion pounds, slightly below the long-term average.

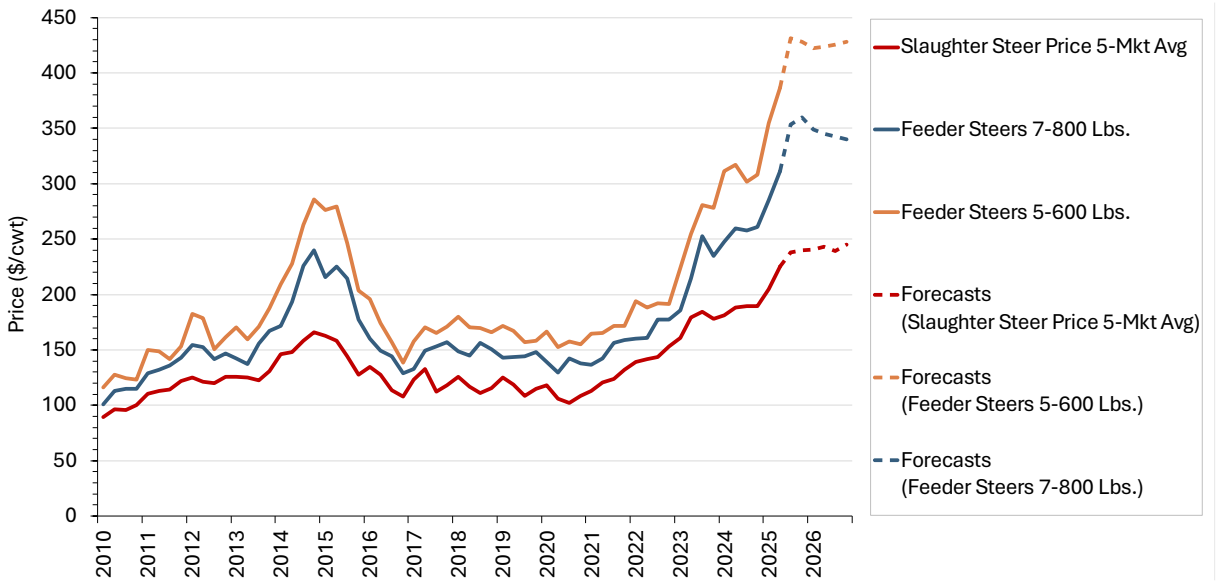
Forecasts for 2025 and 2026 suggest continued declines in production due to two key factors: heifer retention and overall herd reduction. Both contribute to fewer cattle available for slaughter, reinforcing the downward trend in beef supply. These production levels are not surprising given the persistent liquidation of the cattle herd and the structural constraints facing producers (Figure 2).

Figure 2. US Beef Production and Forecasts, 2010:Q1–2026:Q3



Source: USDA-AMS (2025), LMIC (2025).

Figure 3. US Feeder and Slaughter Steer Prices and Forecasts, 2010:Q1–2025:Q3



Source: USDA-AMS (2025), LMIC (2025).

Reduced production has led to noticeable price increases at the retail level. During the first half of 2025, the average price for all fresh beef rose from $8.15 per pound in January to $8.90 per pound in July (USDA-ERS, 2025). Ground beef, a highly consumed product, increased from $5.50 to $6.25 per pound over the same period. These price movements reflect tightening supply and signal broader inflationary pressures within the beef supply chain.

Historically, the US beef industry has relied on the live cattle trade to supplement domestic supply. Imports of feeder calves from Mexico and Canada help offset tight cattle inventories but have faced recent disruptions. In November 2024, the Animal and Plant Health Inspection Service announced restrictions on livestock imports from Mexico due to an outbreak of New World screwworm (NWS) in Mexico's southern region. Feeder cattle typically enter the United States in the spring and fall and account for roughly 5% of total placements annually (Anderson, Maples, and Martinez, 2024). In southern states, that figure rises to approximately 18% (Anderson, 2025).

The November ban resulted in the loss of one month of feeder cattle imports in 2024 and two months in early 2025. Although the border reopened briefly in March, imports were suspended again in May due to rising NWS cases. As of this writing, the ban remains in effect, effectively nullifying a key source of supply for the US beef industry. Live cattle imports from Canada also declined, albeit slightly, in 2025 (USDA, 2025; USDA-FAS, 2025b).

The shortage of domestic and imported feeder cattle has driven prices to record highs. Figure 3 shows quarterly prices for feeder and slaughter steers from the first quarter of 2010 through the second quarter of 2025, with projections through the third quarter of 2026. Steer prices (500–600 lb) rose from around $116 per hundredweight in the first quarter of 2010 to almost $286 in 2014, driven by drought and tight supply. That year also marked the beginning of the current cattle cycle.

Improved prices during the early years of the cycle led to herd expansion, followed by a correction and price declines from 2017 to 2020. Since then, prices have rebounded sharply. In the second quarter of 2025, 500–600 lb steers reached a record $386.73 per hundredweight—a 179% increase over 9 years. Similar trends are observed for 700–800 lb steers and slaughter cattle (Figure 3).

With record-high beef prices and higher costs for replacement cattle, producers are likely to continue liquidating herds rather than rebuilding. This trend is expected to sustain high cattle prices in the near term. Ultimately, factors such as weather conditions, feed costs, and consumer willingness to pay for beef will determine when herd expansion resumes.

Trade Tensions and US Beef Imports

Next, we examine US beef import trends to determine whether recent trade tensions have influenced imports. In 2024, the United States was the second-largest beef-importing country in the world (United Nations, 2025). Beef imports supplement the domestic supply, especially during periods of low cattle inventory or shortages,

Table 1. US Fresh and Chilled and Frozen Beef Imports: 2024 and 2025 Year-to-Date (January–July) Comparison

	Fresh and Chilled				Frozen		
Source	Jan.–July 2024	Jan.–July 2025	%Δ	Source	Jan.–July 2024	Jan.–July 2025	%Δ
	Value ($ billions)				Value ($ billions)		
World (total)	3.21	3.62	12.6	World (total)	2.45	4.05	65.5
Canada	1.36	1.41	3.9	Australia	0.74	1.20	62.6
Mexico	0.96	1.07	11.0	Brazil	0.42	0.89	112.3
Australia	0.56	0.74	31.1	New Zealand	0.69	0.82	18.4
	Quantity (000 MT)				Quantity (000 MT)		
World (total)	387.56	405.14	4.5	World (total)	439.18	655.11	49.2
Canada	183.54	174.34	-5.0	Australia	126.32	178.51	41.3
Mexico	114.60	124.60	8.7	Brazil	86.51	177.50	105.2
Australia	50.08	61.56	22.9	New Zealand	121.61	123.09	1.2
	Unit Value/Price ($/kg)				Unit Value/Price ($/kg)		
World (total)	8.29	8.93	7.7	World (total)	5.58	6.19	10.9
Canada	7.41	8.10	9.4	Australia	5.83	6.71	15.1
Mexico	8.38	8.55	2.1	Brazil	4.84	5.00	3.4
Australia	11.25	12.00	6.6	New Zealand	5.71	6.67	17.0

Note: Fresh and chilled beef is defined according to HS 0201: meat of bovine animals, fresh or chilled; frozen beef is defined according to HS 0202: meat of bovine animals, frozen.
Source: USDA-FAS (2025b).

ensuring consistent availability for consumers (Calil, 2024). Imports of lean beef trimmings are essential for producing ground beef, while feeder cattle from Mexico and Canada support feedlot operations (Brower, 2022; USDA-FAS, 2025b). Imports also help stabilize prices and buffer market disruptions such as droughts and disease outbreaks. While almost all live cattle imports are from Canada and Mexico, beef imports are more diversified (USDA-FAS, 2025b).

Table 1 presents a year-to-date comparison of US imports of fresh and chilled and frozen beef from January to July in 2024 and 2025, detailing changes in import value, quantity, and unit value (price) across major trading partners. Despite recent trade tensions, US beef imports experienced significant growth in 2025, with both fresh and chilled and frozen beef increasing in value and volume. Fresh and chilled beef imports rose by 12.6% in value and 4.5% in quantity, driven by moderate gains from Mexico and Australia. Canada remained the largest supplier in this category, though its volume slightly declined. In contrast, frozen beef imports surged by 65.5% in value and 49.2% in volume, with Brazil and Australia showing the most significant increases. Brazil's frozen beef exports to the US more than doubled in both value and volume, reflecting its growing competitiveness in the global market.

Prices—as measured by unit values—also increased for most sources, suggesting rising demand and possible supply constraints. For example, frozen beef from New Zealand saw a 17% increase in price, while fresh and chilled beef from Canada rose by 9.4%.

The sharp rise in frozen beef imports from countries like Brazil reflects both a response to domestic supply challenges and a shift toward more competitive international suppliers. However, recent trade tensions may begin to dampen this trend. Earlier in 2025, Mexico and Canada faced tariffs of 25% and 35%, respectively, largely due to concerns over border security and drug trafficking. Australia, New Zealand, and Brazil were impacted by the "Liberation Day" tariffs, which began at approximately 10%, while Brazil was hit with an additional 40% tariff due to the prosecution of former President Bolsonaro. Imports from Canada and Mexico may be exempt under USMCA origin provisions, and tariffs on Australia, New Zealand, and Brazil had not yet been implemented at the time of this article (Burkhart and Hammond, 2025). However, we are starting to see the impact of these policies take effect. For instance, frozen beef imports from Brazil and New Zealand in July 2025 were down 25% and 14%, respectively, compared to July 2024 (USDA-FAS, 2025b). This decline suggests that tariffs and resulting trade tensions are starting to impact beef imports.

Recent Trends in US Beef Exports

The United States is one of the largest beef-exporting countries in the world, ranked third in value behind Brazil and Australia in 2024 (United Nations, 2025). While

Table 2. US Fresh and Chilled and Frozen Beef Exports: 2024 and 2025 Year-to-Date (January–July) Comparison

	Fresh and Chilled				Frozen		
Destination	Jan.–July 2024	Jan.–July 2025	%Δ	Destination	Jan.–July 2024	Jan.–July 2025	%Δ
	Value ($ billions)				Value ($ billions)		
World (total)	2.61	2.37	-9.1	World (total)	2.70	2.55	-5.4
South Korea	0.54	0.53	-1.5	South Korea	0.68	0.82	20.6
Mexico	0.52	0.52	-1.1	Japan	0.32	0.40	24.8
Japan	0.54	0.43	-20.1	China	0.70	0.38	-46.0
Canada	0.40	0.36	-9.6				
	Quantity (000 MT)				Quantity (000 MT)		
World (total)	231.00	199.59	-13.6	World (total)	331.67	316.81	-4.5
South Korea	39.88	40.32	1.1	South Korea	87.36	101.12	15.8
Mexico	53.80	47.13	-12.4	Japan	62.17	74.11	19.2
Japan	60.39	47.07	-22.1	China	79.12	43.94	-44.5
Canada	36.35	31.66	-12.9				
	Unit Value/Price ($/kg)				Unit Value/Price ($/kg)		
World (total)	11.29	11.88	5.2	World (total)	8.13	8.05	-0.9
South Korea	13.56	13.22	-2.5	South Korea	7.83	8.16	4.2
Mexico	9.74	11.00	12.9	Japan	5.20	5.44	4.7
Japan	8.89	9.12	2.5	China	8.82	8.58	-2.7
Canada	10.90	11.32	3.8				

Note: Fresh and chilled beef is defined according to HS 0201: meat of bovine animals, fresh or chilled; frozen beef is defined according to HS 0202: meat of bovine animals, frozen.
Source: USDA-FAS (2025b).

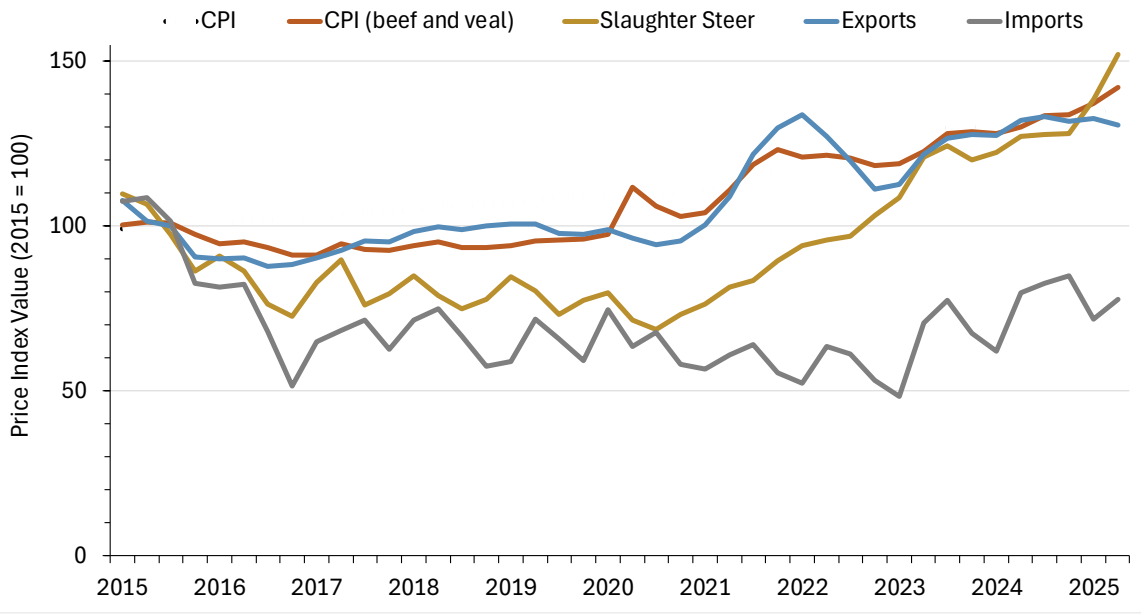
export values are comparable across the three countries—$9.1 billion in fresh, chilled, and frozen beef exports for the United States versus $11.7 billion for Brazil and $9.3 billion for Australia—both Brazil and Australia export significantly more than the United States in terms of quantity. This was due to US beef prices ($9.48/kg) being significantly higher than Brazil ($4.58/kg) and Australia ($6.52/kg) (United Nations, 2025). US beef is grain-finished and is considered higher value in global markets, whereas beef from countries such as Australia, New Zealand, and Brazil is mostly grass-finished, which can reduce quality and consumer appeal (Melton et al., 1982).

Unlike US beef imports, export trends have been more negative in 2025, particularly for fresh and chilled beef and frozen beef exports to China. This may be the result of rising global competition and shifting consumer preferences, but it could also be due to US trade policies, which have introduced uncertainty and increased costs for foreign buyers of American beef.

Table 2 presents a year-to-date comparison of US exports of fresh and chilled, and frozen beef from January to July in 2024 and 2025, detailing changes in import value, quantity, and unit value (price) across major destination countries. US beef exports declined in early 2025, with both fresh and chilled and frozen categories showing year-to-date decreases in value and volume compared to the same period in 2024. Fresh and chilled beef exports fell by 9.1% in value and 13.6% in volume, with notable declines to Japan (–20.1% in value; –22.1% in volume) and Canada (–9.6% in value; –12.9% in volume). Frozen beef exports dropped 5.4% in value, driven largely by a sharp 46% decline in exports to China. However, some markets showed growth in value in 2025: South Korea increased its frozen beef imports by 20.6%, and Japan by 24.8%. Export prices, on the other hand, have been relatively stable compared to import prices.

The significant decline in frozen beef exports to China warrants further discussion. In response to US tariffs, China imposed retaliatory tariffs exceeding 100% earlier this year. Although those tariffs have since been reduced to around 33% (Bown, 2025), the ongoing trade tensions appear to have negatively impact US beef in the Chinese market. In addition, in March 2025, the Chinese government allowed export registrations for nearly 400 beef processing facilities to expire, effectively revoking market access for about 60% of all US facilities authorized to export to China (Marianetti, 2025). According to China customs data, total beef imports from January to July rose by 5.1% compared to the same period last year. Notably, imports from Brazil increased by 19.1%, while imports from the United States declined over the same period (Trade Data Monitor, 2025).

Figure 4. Selected Beef and Cattle Price Indexes and CPI, 2015:Q1–2025:Q2



Source: CPI, both all goods and beef and veal, Bureau of Labor Statistics; Slaughter Steer, USDA Agricultural Marketing Service; Exports and Imports, USDA, Foreign Agricultural Service.

Price Comparisons and Inflation

In this final section, we compare import and export prices, domestic beef prices, and cattle prices to overall inflation. This is important for understanding how trade dynamics and broader economic pressures are influencing costs throughout the beef supply chain. Price indexes from 2015–2025 are reported in Figure 4. Early in the period, retail beef prices (beef and veal CPI) and export prices closely tracked overall inflation (CPI), while slaughter steer prices fell below the inflation rate. Import price indexes also dipped during these years. By 2018–2019, retail beef prices stabilized near CPI, but export prices lagged slightly. The pandemic years (2020–2021) brought sharp disruptions: Retail beef prices climbed above CPI, and export prices rose even faster, driven by strong foreign demand and supply chain constraints. Notably, the most significant increase was observed in steer prices post-pandemic. In contrast, import prices remained relatively flat. From 2022 onward, consumer, export, and steer prices all outpaced CPI, reflecting persistent inflationary pressures and tightening supply in the industry.

Closing Remarks

In this article, we examined the evolving dynamics of the US beef trade, focusing on how domestic production trends, global competition, and trade policy have collectively shaped market outcomes. Recent shifts reflect broader changes in global supply and demand, the emergence of competing exporters, and trade policies dating back to President Trump's first term. The US beef industry continues to face significant challenges, including declining cattle inventories, rising production costs, and shifting trade relationships. Imports have played a vital role in stabilizing domestic supply amid record-high prices and supply chain disruptions. However, recent trade tensions and disease-related restrictions have complicated access to key sources of imported beef, raising concerns about long-term resilience. Retaliatory tariffs and evolving trade partnerships have redirected global beef flows, with countries like China seeking alternative markets to the United States.

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