



Nourishing Today
Sustaining Tomorrow

The Reality of Beef and Cattle Markets

October 29, 2025

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Argentine Beef

Increased Beef Imports from Argentina Unlikely to Lower Ground Beef Prices.

President Donald Trump is considering quadrupling the current tariff-rate quota for imported beef from Argentina to reduce beef prices for U.S. consumers. However, even if Argentina filled the full 80,000 metric ton quota reportedly being proposed, it would be an insignificant increase that is unlikely to materially impact beef prices at retail or in restaurants.

The Meat Institute has developed a [fact sheet](#) with pertinent information, including:

- Beef imports from Argentina are primarily grass-fed frozen lean trim used to produce hamburgers and other ground beef products in the U.S. Some higher value muscle cuts (i.e. steaks) are also shipped, typically to restaurants.
- In 2024, the last full year for which data is available, beef imports from Argentina totaled 32,798 mt, making it the U.S.'s eighth largest beef supplier by volume.
- Through July 2025, beef imports from Argentina totaled 23,535 mt, slightly above the same period last year.
- For context, the U.S. imported 1.56 million mt of beef in 2024, with Australia, Canada, Mexico, Brazil, and New Zealand serving as the top five suppliers by volume and value.
- Even if Argentina filled the full 80,000 mt quota being reported, its share of total U.S. beef imports would grow from 2% to only 5%.

- By comparison, Argentina exports more than 595,000 mt of beef annually to China.

Beef and Cattle Market Conditions

[Read the Meat Institute's full Cattle and Beef Market Update here>>](#)

A preview of this Meat Institute document is below.

Summary of Market Conditions

Cattle producers are enjoying record prices, while beef packers are suffering under negative margins.

The shortage of market ready cattle continues, adding further pressure to packers' margins which first dropped to negative values in September 2024.

Packing plant utilization rates have dipped, and some facilities are scaling back operations, including reduced shifts and shortened workweeks. Uncertain immigration policy moving forward can have an impact here as well.

Trade policy uncertainty from proposed tariffs adds to the cost pressures on the cattle market.

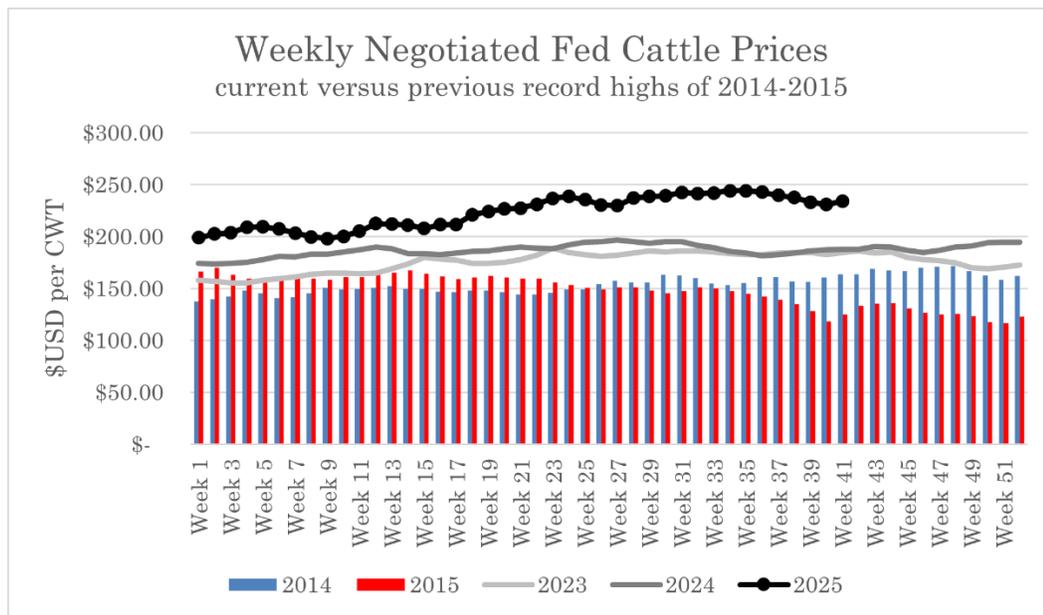
Additionally, foreign animal disease import restrictions – particularly on Mexican feeder cattle – are another contributing factor to increasing costs.

Consumer demand has remained resilient with improved beef quality. However, prospects for elevated cattle prices and the beef those cattle yield remain directly tied to the extent end-user consumer demand can remain robust.

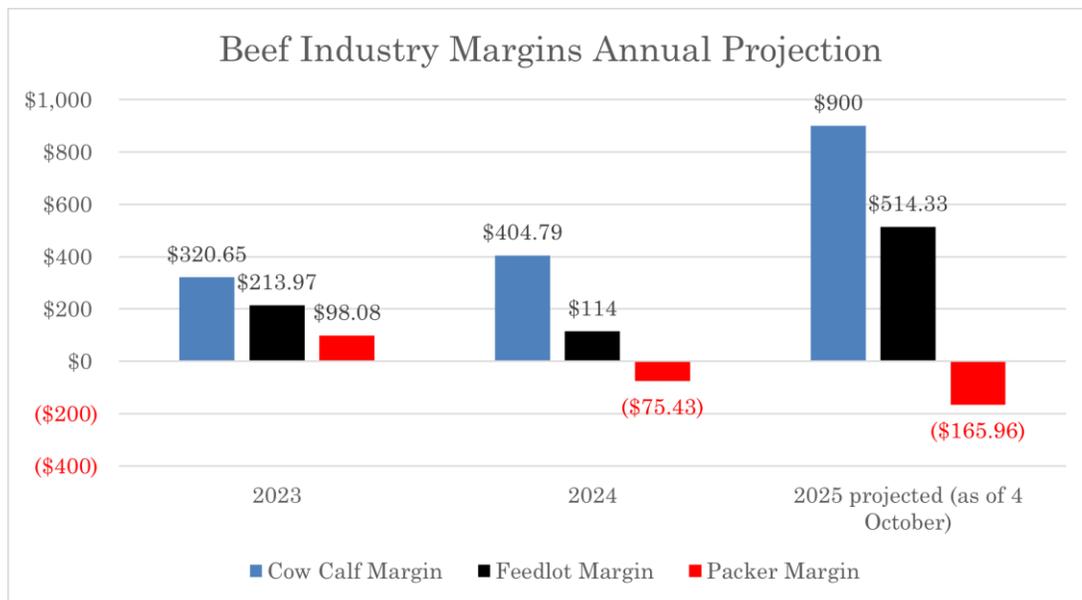
Record Cattle Prices While Packer Margins Remain Negative

Cattle prices were at record levels for most of 2023, surpassing the 2014-2015 previous record highs as the cattle herd rebuilt from the previous low points of the cattle cycle. Through 2024, prices continued at new record levels and increased further into 2025, exceeding an average of \$242 per hundredweight in August, the highest nominal price on record.

Cash prices have declined to \$232 per hundredweight in the first two weeks of October, but futures contracts are at record levels, even after adjusted for inflation. The previous highs in October 2015 would be \$222 per hundredweight in today's dollars, a full \$10 per hundredweight below the current prices as of Oct. 14.



This has put U.S. beef packers under financial pressure. Packer margins slipped into the red in September 2024. Through the week ending Oct. 4, 2025, packer margins were a negative \$126.50 per head, up slightly from a year earlier at a negative \$125.65 per head according to [Sterling Profit Tracker](#). The outlook for the year is a packer margin of negative \$165.96 per head.



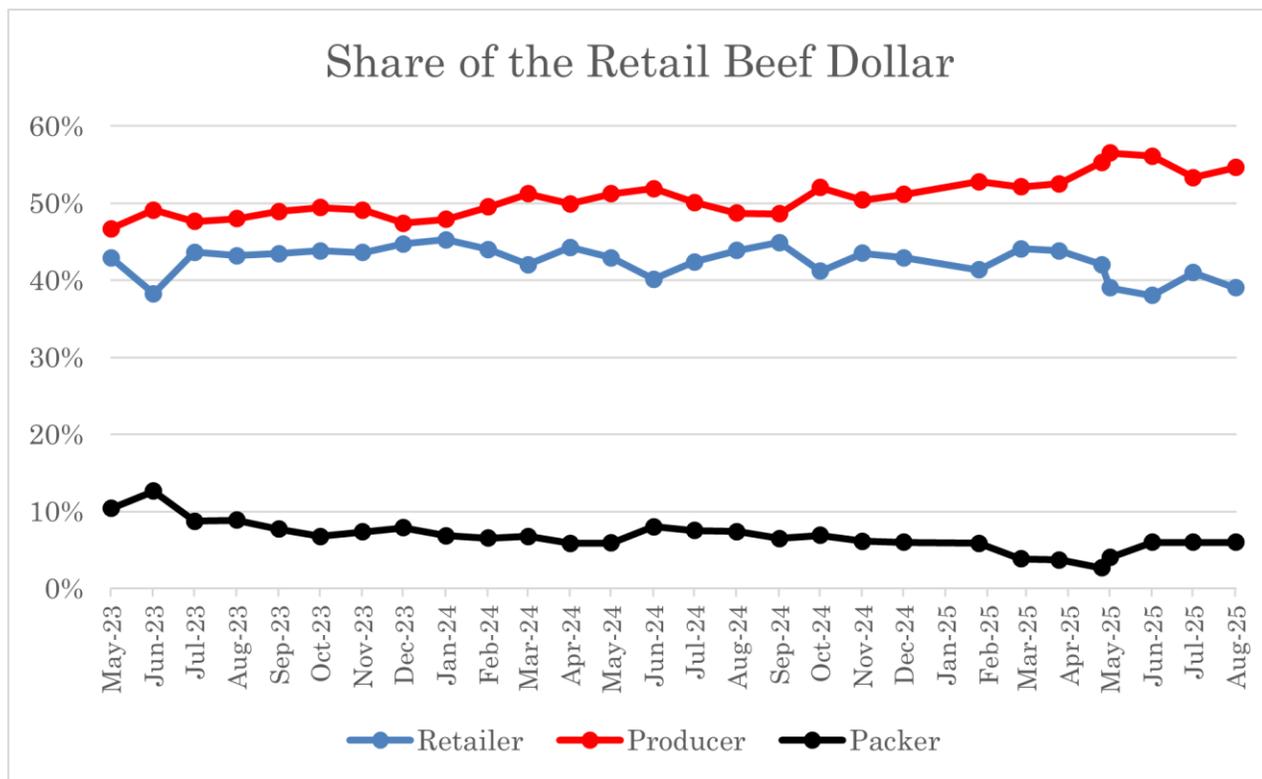
For 2025, cow/calf producer margins are estimated to be up 122.3% from 2024 and 180.67% from 2023 to \$900 per head. Feedlot margins are estimated to be up 351% from 2024 to \$514.33 per

head. But packer margins have declined 120% from already negative margins in 2024 and are estimated to be down 269% from 2023.

With fewer market-ready cattle available, plant utilization rates have dipped, and some facilities are scaling back operations, including reduced shifts and shortened workweeks. Packing plants were operating at 77% capacity for the week of Oct. 4, down from 85% a year ago. Uncertain immigration policy moving forward can have an impact here as well.

Value of the Retail Beef Dollar

The share of the retail beef dollar also indicates that producers have been faring well. The producers' share of the retail beef dollar was 55% in August 2025 and has averaged 54% so far in 2025. The packers' share has dropped from 13% to 5%, reflecting the negative packer margins.



Concentration in the Beef Packing Sector

Facts: Concentration in the Beef Packing Sector

The U.S. meat packing sector is a dynamic, resilient, and highly competitive industry with a long history of providing an abundant supply of high quality, safe, and affordable products to American consumers and serving as a vital economic engine that supports America's farmers and ranchers.

The top four beef packers in the U.S. account for the purchase and slaughter of about 81% of all fed cattle in the U.S., according to the most recent report from the USDA's Packers and Stockyards Division. But those fed cattle make up only about 78% of the Federally Inspected cattle slaughtered in the U.S. The other 22% is made up of cows, both dairy and beef, and some bulls.

Cow and bull slaughter is consistently less concentrated than fed cattle slaughter. The four-firm concentration ratio for cow and bull slaughter was 46% in 2020 and rose to 47% in 2021.

What's the difference? Fed cattle are steers and heifers that packers purchase from feedlots after being brought to market weight on a diet of grain to produce boxed beef – primarily the muscle cuts that consumers demand as steaks, ribs, and roasts.

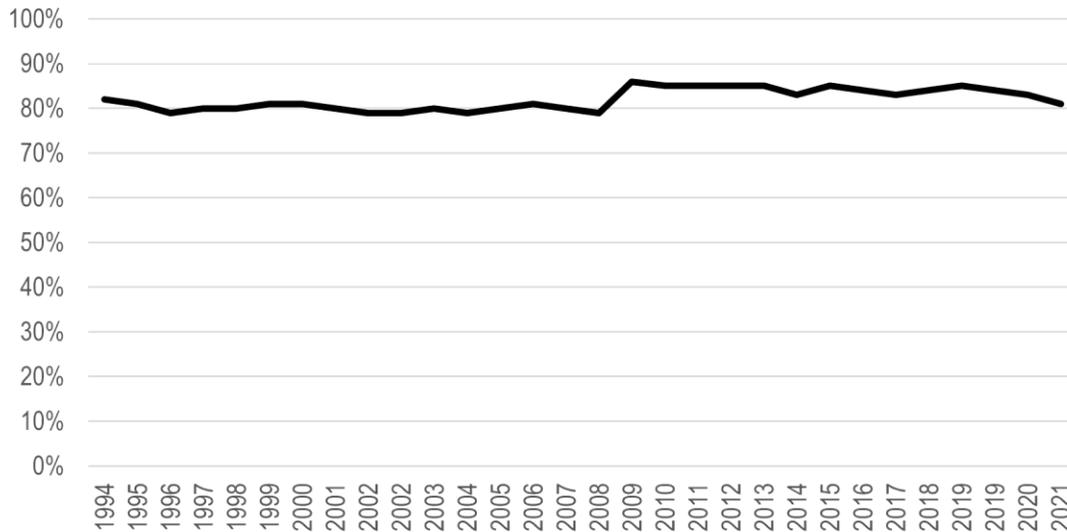
Cows and other non-fed cattle, on the other hand, are primarily slaughtered to be made into ground beef. The lean meat from these animals, along with imported lean trim, are necessary ingredients to be made into America's supply of ground beef produced in combination with the muscle cuts from the fed cattle.

Market Power in the Industry is Not Consolidating.

Much of the rhetoric about beef industry concentration implies that consolidation in the beef packing sector is ongoing and that market power is becoming increasingly concentrated. That is not the case.

The four-firm concentration ratio in the beef cattle industry has not changed appreciably over the past 30 years. According to USDA, in 1994, for example, that ratio was 82%, compared with 81% today.

4 Firm Concentration in Fed Cattle Slaughter



The four-firm concentration ratio is monitored closely by the Packers and Stockyards Division, an agency uniquely charged, by statute, to provide ongoing oversight into fair business practices and to ensure competitive markets in the livestock, meat and poultry industries.

Let's Talk About Ground Beef

Approximately 50% of beef consumed in the U.S. is ground beef. American consumers demand lean ground beef, which is frequently produced by combining beef trim from fed cattle, which are cattle fattened at U.S. feed yards, with lean beef trim. The lean trim is primarily sourced from cull cows in the U.S. and imported lean trim from cattle fed on grass. In this sense, imported lean trim is complimentary to U.S. beef production: it allows us to produce more ground beef at an affordable price, and it doesn't compete directly with U.S. beef production. Without imported lean trim, more highly marbled quality U.S. beef would be used, and ground beef would be more expensive.

Old Bad Ideas Return

Mandatory COOL: Still a Bad Idea

Despite record cattle prices and the smallest cattle herd in 75 years, there are increasing calls for mandatory country-of-origin (COOL) labeling for beef.

The mandatory COOL experiment was implemented, and it failed. From 2002 through Congress repealing the law in 2015, we learned that mandatory COOL adds massive compliance costs – the

industry incurred implementation costs of approximately \$1.5 billion, plus \$200 million in additional annual compliance costs thereafter – yet by USDA’s own analysis, it did not increase consumer demand. Mandatory COOL simply adds cost, not value.

On Jan. 1, 2026, USDA’s Food Safety and Inspection Service will begin implementing its voluntary COOL rule. Let the rule and the free market work: if consumers demand “Product of the U.S.” labels on their meat, then processors can and will provide it.

Given where we are in the cattle cycle, adding mandatory COOL now would likely bring unintended consequences: it would disrupt cattle supply to certain U.S. beef packers and add immense compliance costs, likely forcing some packing facilities to shutter. In addition, it would encourage Canada and Mexico to expand their own beef processing capacity, further hurting certain U.S. packing facilities.

For more info, see the [Meat Institute’s mCOOL paper here>>](#)

State Inspected Meat in Interstate Commerce and the PRIME Act Will Have Consequences.

The United States’ federal food safety system for meat and poultry is the gold standard globally. Preserving its integrity is essential, not only for consumer confidence but also for maintaining our export relationships. Proposals to allow the interstate shipment of state-inspected meat, or uninspected meat, risk undermining that trust.

The issue of interstate shipment of state-inspected meat was resolved in the 2008 Farm Bill with the establishment of the Cooperative Interstate Shipment (CIS) program. The CIS program allows small- and medium-sized state-inspected plants to ship product in interstate commerce so long as they satisfy the same rules their federally inspected counterparts meet. Every state with an inspection system can participate in CIS. Thus, state-inspected plants that want to ship interstate can choose to become federally inspected or join their state’s CIS program if the state is participating.

This is not a big packer versus small packer issue: thousands of small and very small packers and processors are subject to daily federal inspection and enjoy the benefits it provides, including access to national and international markets. Operating under state inspection is a business decision, it is not compulsory. Companies select the inspection regime that best fits their business needs. Changing the rules to allow state inspected meat into interstate commerce would unfairly disadvantage the small and very small federally inspected plants that have invested time and money to develop food safety systems that comply with federal requirements.

USDA’s Food Safety Inspection Service has a small and very small plant outreach program specifically designed to assist those plants with a variety of food safety and other issues. If a state-inspected plant

makes the business decision that it wants to ship interstate, there are numerous resources, including the small and very small plant outreach program, to help federally inspected plants operate successfully.

Allowing interstate shipment of state-inspected meat would create a nightmare regulatory landscape. State authorities lack jurisdiction over product once it crosses borders, raising serious concerns about traceability and enforcement. Moreover, such changes could jeopardize international trade. Even the perception that state-inspected product might enter export channels could prompt foreign governments to erect non-tariff barriers against U.S. meat and poultry. The risk of damaging U.S. meat and poultry exports is real and too great to allow interstate shipment of state-inspected product. If state-inspected products may be sold in interstate commerce, to meet its international obligations, the U.S. would have to accept imported meat and poultry from local and provincial inspection systems in foreign countries. Such an outcome would present an unacceptable food safety risk to U.S. consumers.

The concept in the PRIME Act is even worse. Under Rep. Thomas Massie's legislation, custom exempt meat establishments would be allowed to slaughter animals, process the meat, and sell it directly to consumers or to restaurants, hotels, or grocery stores within the state, without any inspection. It is a recipe for foodborne illnesses, and consumers in restaurants and hotels would have no idea they would be eating uninspected meat (and grocery store consumers would only know if they look for and can't find the USDA inspection symbol). Food safety should be the top priority, not something legislated away.

Importantly, neither allowing state inspected meat into interstate commerce nor passing the PRIME Act will create appreciable additional packing capacity. If the goal is to expand packing capacity, Congress can do that without sacrificing food safety in the process.

New World Screwworm

APHIS Releases New World Screwworm Draft "Response Playbook."

USDA's Animal and Plant Health Inspection Service (APHIS) recently released its draft New World Screwworm (NWS) [Response Playbook](#), representing the federal government's framework for response if NWS arrives in the U.S. In particular, the Playbook calls for the establishment of 20 km zones around animal and screwworm fly detections so that animal movement outside the zones may continue. APHIS needs to establish its leadership role to strongly encourage states and tribal entities to align their approaches and adopt the Playbook's clear animal movement requirements so that there is a consistent response nationwide. Such coordination is essential to ensure business continuity and minimize disruption to interstate movement of animals destined for harvest. At the same time, it is

imperative the industry has the necessary tools to treat affected animals and move them to slaughter. APHIS and states should consider terminal movement to slaughter as low-risk and allow it to continue.

Importantly, the Playbook explicitly states that NWS is not a food safety concern and that affected animals should be processed in accordance with USDA's Food Safety and Inspection Service (FSIS) regulations. Both APHIS and FSIS should proactively develop consumer-facing communication materials to clearly explain that products derived from animals previously affected by NWS are safe for human consumption once they have passed all FSIS inspection and regulatory requirements.

APHIS held a stakeholder meeting to receive comments on the draft Playbook, but the Meat Institute encourages APHIS to continue working with industry representatives to address concerns before publishing a final version of the Playbook.

China Beef

Meat Institute Urges Action as China Blocks Over 415 U.S. Beef Facilities from Exporting.

In 2024, China was the U.S.'s third largest market, by value, for beef, at over \$1.5 billion. The strong beef exports to China were thanks to President Trump's leadership in securing the U.S.-China Phase One Agreement during his first term. However, since the beginning of 2025 – and in contravention of the terms of the Phase One Agreement – China has failed to renew the registrations for more than 415 U.S. beef establishments, making them ineligible to export to China. This is a massive market loss for the U.S. that Brazil and other countries have been eager to fill.

The Meat Institute urges the administration to ensure China complies with all provisions of the Phase One Agreement, including those pertaining to establishment registration. This is an important opportunity to strengthen the Agreement's landmark achievements for agriculture in defense of American farmers, ranchers and meat companies so that the Agreement's intended gains can be fully realized.