

# BEEF PRICES KEEP CLIMBING.

*Why? What must be done?*

## About

For four decades, as the U.S. cattle industry continually underproduced, Washington allowed a handful of multinational meatpackers to monopolize America's cattle markets. Competition was replaced with corporate control.

At the same time, the government opened the U.S. market to unlimited imports of cheaper foreign cattle and beef. These imports are undifferentiated, direct substitutes for American cattle and beef. Multinational packers control both exports and imports in an industry that cannot meet U.S. demand. This has given the packers power to manage America's beef supply, shrinking the domestic cow herd, driving ranchers out of business, and leaving both ranchers and consumers at the mercy of a dysfunctional market.

Since 1980, Americans have eaten more beef, with consumption rising more than 21 percent. For ranchers, that should have meant growth and prosperity. Instead, it meant contraction. The country lost more than half its cattle farms and with them nearly a quarter of its breeding herd.

Domestic beef production from U.S.-born and -raised cattle couldn't keep up with consumption, so packers filled the gap with imports. Today, imports make up more than 22% of U.S. beef consumption, more than double what it was just over a generation ago.

Conventional theory suggests that America's increased reliance on cheaper beef and cattle imports would lower prices and provide more choices. But this fails when imports and domestic products are undifferentiated. Currently, imports are priced the same as domestic products and beef is beef regardless of where, by whom, or how it was produced.

Thus, packers regulate supply, adjusting imports and exports to maximize profits while charging whatever the market will bear. When demand is incredibly strong, as it is now, beef prices can hit extremes never seen in a fair, competitive market.

Drought is not to blame for the cattle industry's crisis, though it accentuated the effects of the industry's chronic decline. The root cause is policy that handed control of our beef supply to corporate monopolies and foreign sources. The consequences: national security is weakened as America loses self-reliance in beef production, ranchers are forced to exit the industry, consumers pay more than a competitive market would decide, and rural America is hollowed out.

## *For Example*

**Last year, U.S. beef production was ~3.2 B lbs. below domestic consumption. Yet, packers exported ~3 B lbs. of U.S. beef and compensated for the domestic supply shortage by filling the gap with a record 6.3 billion lbs. of imports, driving all-fresh beef to a record \$8.01 per pound while displacing opportunities to raise 3.8 million more U.S. cattle.**

## The Solutions

- ✓ **Put American Consumers and Producers First**
  - Require mandatory country of origin labels on all beef sold in America.
- ✓ **Restore Competition**
  - Enforce antitrust laws that protect competition.
  - Implement and enforce the Packers and Stockyards Act that protects both individuals and the market from abuse.
  - End packer procurement practices that limit price discovery.
- ✓ **Manage Imports**
  - Set tariff-rate quotas to give U.S. ranchers room to rebuild.
  - Impose tariffs to counter subsidies, currency manipulation, and weak foreign standards.
- ✓ **Free Ranchers to Compete**
  - Reform the mandatory beef checkoff.
  - End the electronic identification (EID) eartag mandate.

Doing nothing, or relying on even more imports, will accelerate the collapse of America's cattle industry and leave the U.S. dangerously dependent on foreign beef and cattle.

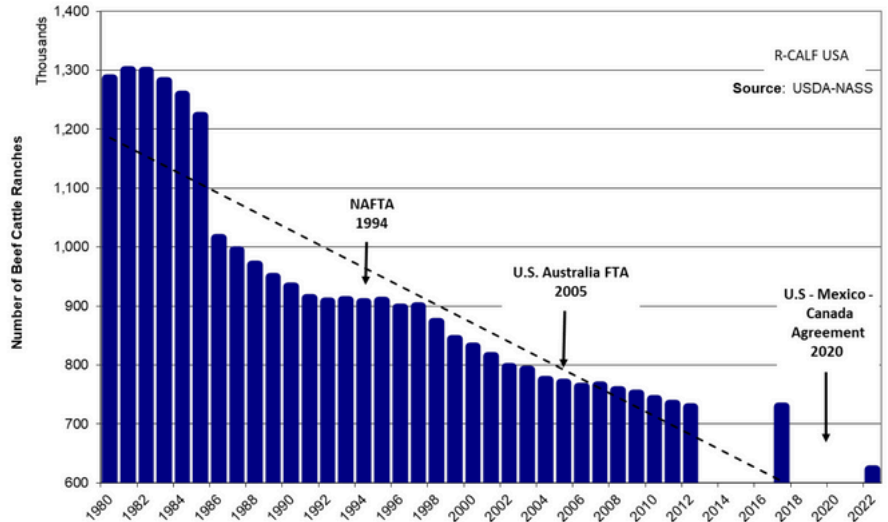
**Congress and the Administration must act now to rebuild the domestic herd, restore competition, and secure America's food supply.**

# The Numbers

These charts show how decades of failed policies and packer control have reshaped America's cattle industry.

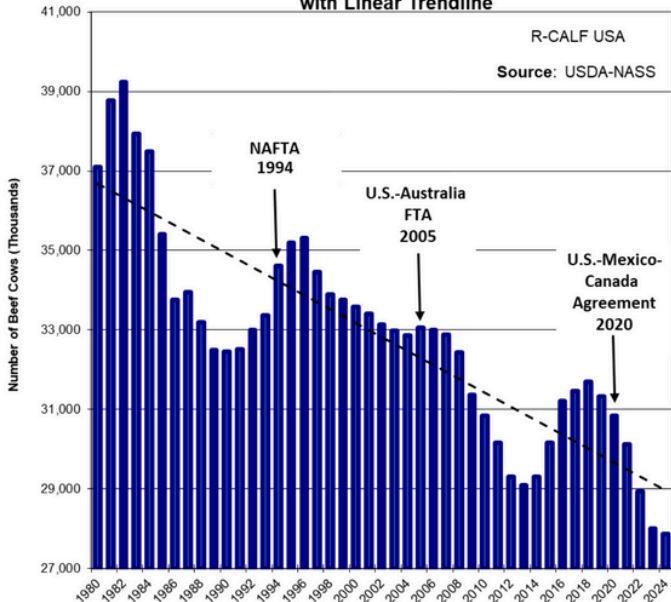
Each line represents ranching families forced out of business, consumers paying higher prices, and America losing food independence.

**Alarming Exodus of America's Beef Cattle Operations**  
Total loss of 650K Operations (~16,000 Operations Lost Each Year from 1980-2022)  
with Linear Trendline



Since 1980, half of cattle farms and nearly a quarter of breeding cows have been lost.

**The U.S. Beef Cow Herd Is Shrinking Fast**  
Hitting a 70-year Low in 2014, and lower in 2024  
with Linear Trendline



America's cow herd has fallen to its lowest level in more than 70 years

Retail beef prices keep climbing, but ranchers aren't seeing the benefit.

**Disconnect Between Cattle Prices and Consumer Beef Prices**

