



R-CALF USA

PO Box 30715

Billings, MT 59107

Phone: 406-252-2516

Fax: 406-252-3176

Email: r-calfusa@r-calfusa.com

www.r-calfusa.com

Final Testimony Before the Office of the U.S. Trade Representative:
Section 301 Brazil Investigation. Proposed Action Hearing

Bill Bullard, CEO

R-CALF USA (Ranchers Cattlemen Action Legal Fund United Stockgrowers of America)

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Good morning, Ambassador Greer, members of the committee, and fellow participants:

Thank you for this opportunity.

I represent R-CALF USA, the largest producer-only cattle trade association in the United States. Our mission is to ensure the profitability and viability of independent U.S. cattle producers.

Though cattle prices recently surged to all-time highs – by chasing already inflated beef prices that were increasing for years while cattle prices were decreasing – our nation’s diminished cattle industry remains incapable of achieving self-reliance in producing arguably America’s most important dietary protein – beef. This shortcoming threatens national security.

We agree with the U.S. Trade Representative’s application of tariffs of 25% on all goods of Brazil. We disagree, however, with the plan to exempt beef and beef products from those tariffs.

The USTR’s investigation found a direct nexus between Brazilian cattle ranching and illegal deforestation, estimating that over 90% of Brazil’s deforestation (legal and illegal) is attributable to agricultural production. And “between 2018 and 2022, cattle ranching drove 78% of commodity-attributed deforestation.” In 2023, after a two-year investigation, the U.S. Senate Committee on Finance likewise found a direct nexus between Brazilian ranching and illegal deforestation.

Regarding criteria for exempting beef: First, there is nothing peculiar about beef – the derivative of illegal cattle ranching – that would make tariffs ineffectual at eliminating illicit deforestation.

The other criteria are inapplicable with respect to Brazil. The 50% tariff applied to Brazilian beef from August-November 2025 did not result in economy-wide disruptions. And it is the escalating penetration of imports from Brazil and other countries that is already and continues contributing substantially to irreparable harm to the U.S. cattle industry by displacing domestic production and dismantling the domestic industry’s competitive infrastructure.

It was 13 years ago when American ranchers last invested to expand the beef cow herd. Three years of upward trending cattle prices leading to 2014 stimulated the expansion. But imports of lower cost beef and cattle – direct product substitutes for domestic beef and cattle – increased immediately. In 2015 imports were nearly 30% above the level preceding the outset of herd expansion.

Unsurprisingly, this additional surge in lower-cost imports contributed to the cattle price collapse that began in 2015 and continued for eight years.

Midway through this prolonged price collapse, American ranchers began again to liquidate the beef cow herd. By last year – 2025 – the herd had fallen to the lowest level in 75 years. Alarming, while cattle prices were depressed, and while the cow herd was liquidating, America’s highly concentrated beef industry was charging American consumers ever increasing prices for beef.

Burgeoning beef and cattle imports hastened the systematic dismantling of the cattle industry’s competitive infrastructure. Since 1980, over 650,000 beef cow operations exited the industry, and with them went 9.5 million beef cows and 86,000 feedlot operations. America’s drastically diminished cattle supply chain then led to the dismantling of the beef industry. The largest beef packers began closing several plants in 2013. By 2020, the United States packing capacity had been reduced to 125,500 head per day, the lowest in the modern history. But it didn’t stop there. Tyson has since closed a 5,000 head per day plant and cut production in another. In June, JBS announced the closure of its 2,000 head per day plant.

The U.S. cattle industry’s competitive infrastructure has been decimated over the past several decades and overly liberal trade policies a principal cause. Import penetration into the U.S. market increased over 150% from 1980 to 2025, rendering the domestic cattle industry incapable of sustaining itself, let alone expand to meet rising consumption.

Brazilian beef began penetrating the U.S. market in full force in 2020, adding to burgeoning import volumes already nearly 90% larger in 2019 than in 1980. From 2019 through 2025, beef from Brazil increased 598 percent. In 2025, Brazil was America’s third largest beef importing country, contributing to the largest ever capture of the U.S. market by foreign countries. Through April 2026, Brazil was America’s largest source of imported beef, and 2026 beef imports are expected to exceed 2025’s record level.

In 1994, a tariff rate quota (TRQ) system was established to protect the domestic industry against excessive, price-depressing imports. It was determined then that beef from Brazil and several other countries should be discouraged above a 65,005 MT quota. A 26.4% over-quota rate was set to accomplish this. This higher tariff, however, has proven inadequate to discourage Brazil from far exceeding its quota, which it did from 2022-2025. In 2025, beef from Brazil exceeded the quota by an estimated 3.5 times.

Contrary to U.S. interests, Brazil produces beef from cattle raised on illegally deforested lands. Record volumes of Brazilian beef enter the U.S. unabated by over-quota tariffs. This beef is contributing substantially to the burgeoning mountain of unmanaged, price-depressing imports that decimated the competitive infrastructure of the U.S. cattle industry, rendering it incapable of meeting America’s beef demand.

A 25% on Brazilian beef and beef products can substantially remediate Brazil’s illegal deforestation while simultaneously protecting America’s cattle ranchers from artificially lower-cost Brazilian beef sourced from illegally deforested lands, which undermines their competitiveness and substantially contributes to the ongoing contraction of their industry.

I have supplemented this testimony with a pre-hearing submission to the USTR.