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Trump's Beef Price Battle Meets America's Insatiable Demand

By Ilena Peng

(Bloomberg) -- President Donald Trump is on a campaign to bring down beef prices. But the nation's powerful demand for protein is making that goal difficult.

While a crisis in the US cattle supply has been the primary factor in lifting beef prices, a persistent and resilient consumer appetite for meat is also playing a significant role in keeping grocery bills high.

Americans aren't broadly abandoning meat even as consumer ground beef prices have soared 14% this year to new records. The country's protein obsession is keeping the pressure on tight supplies, spurring even higher prices and more imports. Shoppers are also adjusting their consumption habits, opting for more affordable cuts of meat.

"The industry all feared like, 'Here we go again,' because how can demand and consumption possibly keep up with record prices during a time when there is so much pressure on finances?" asked Anne-Marie Roerink, founder of market research firm 210 Analytics. "But lo and behold, beef has been incredibly strong."



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That's in sharp contrast to other markets this year that have seen demand destruction, in which products get so expensive that consumers step away enough to ease the pressure on supplies. It happened with eggs after

the staple became the poster child for inflation, at one point becoming more expensive than beef. Cocoa hit a ceiling after skyrocketing, prompting chocolate makers to reformulate snacks to keep down costs.

Beef Price Gains Outpace Other Meat
Average US consumer prices for proteins

	September price per pound	Percent change year-over-year
Beef steaks	\$12.26	+12.7% ▲
Ground beef	6.64	+12.3 ▲
Bacon	7.29	+4.8 ▲
Pork chops	4.35	+0.5 ▲
Chicken breast	4.17	+5.0 ▲
Chicken legs	1.80	-4.1 ▼

Source: US Bureau of Labor Statistics Bloomberg

Beef, as with all commodities, has a limit too — it just hasn't reached it yet. Consumers in October said they were willing to pay \$9.47 for a pound of ground beef, according to Kansas State University's Meat Demand Monitor. That's above the \$6.64 average they saw on the shelves in September.

The market's strength comes amid widespread consumer behavior changes, as a protein craze fueled in part by the rise of obesity medications props up demand across meat and dairy aisles. Many are switching to cheaper options like chicken, whose growing popularity is keeping meatpackers profitable. For those determined to keep eating beef, many are simply trading down, giving up on expensive cuts for more versatile, budget-friendly choices.



Interest in recipes using ground beef and chuck roast have jumped over the last year, while ribeye and filet mignon dropped, according to consumer research firm Tastewise.

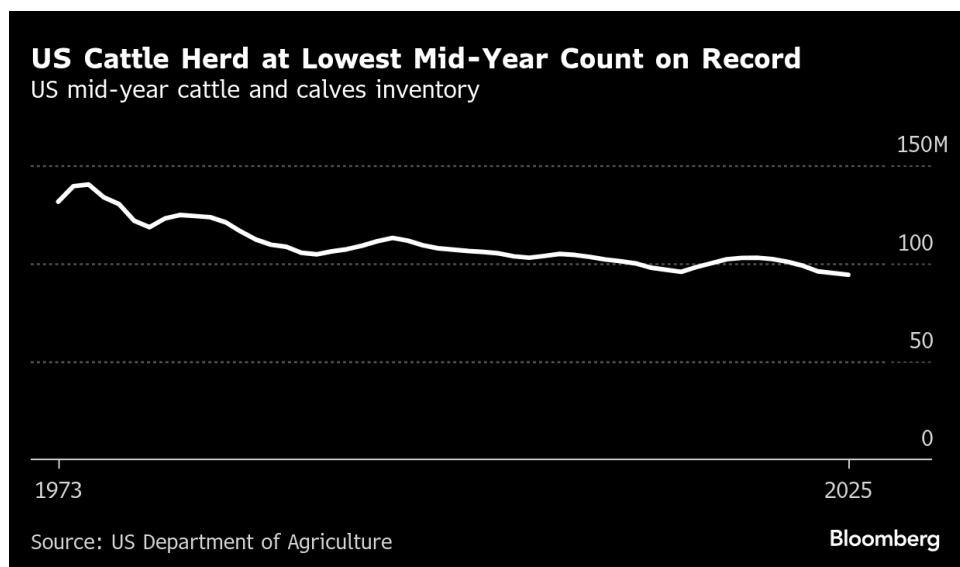
“In this environment, the consumer, yes, they’re trading around in proteins a little bit, but even within beef, you’re seeing some trading from muscle cuts into grinds,” Tyson Foods Inc. Chief Executive Officer Donnie King said on a call with analysts earlier this month. “The grind demand is very strong.”



Beef cattle at a ranch in Sonoita, Arizona.

The supply crisis traces back to the ranch, where high interest rates, expensive feed, and droughts have kept herds at the lowest level in more than half a century. Some in the industry are seeing early signs of rebuilding, but that’s a years-long process. A calf kept for reproduction today wouldn’t be contributing to the beef supply until the end of 2029, notes Lance Zimmerman, a senior beef analyst at Rabobank.

Trump has zeroed in on the issue, focusing on imports as part of the solution. Last week he removed stiff tariffs on beef from Brazil, the top global supplier of the commodity. He has also encouraged more shipments from Argentina. Imports in 2025 are seen rising 16% from last year.



The administration also has ordered a federal investigation into processors including Tyson and JBS NV, accusing them of collusion and price fixing. While such allegations aren't new for the heavily consolidated meatpacking industry, the companies currently are reporting operating losses in their US beef segments, as they pay more for scarce cattle.

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Tyson on Friday said it is ending operations at a beef plant in Nebraska and cutting a shift at a Texas facility as the meat producer loses millions.



Trays of beef for sale at a supermarket in McLean, Virginia.

Sustained supply stress is likely to keep supporting beef prices and encourage an ongoing shift toward chicken. But even as many fast-food companies have pointed to higher beef prices as a key inflationary driver for their business, Arby's leaned into the protein as it introduced bite-sized Steak Nuggets in October. The limited-edition launch went viral online.

The current demand strength marks a dramatic reversal from a decade ago when beef almost seemed past its prime.

Per capita consumption dropped 17% from 2005 to 2014 as concerns over fat content swayed consumers away from red meat. Cattle, which release methane in burps as they digest food, also have an outsize impact on the environment.

That's become less of a concern now while younger consumers are "not making the same distinction within meat between beef, pork and chicken based on things like cholesterol and so forth," said Glynn Tonsor, a professor of agricultural economics at Kansas State University.

"I would argue that that trend either is dead or is certainly softened," he said.

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