THE ROAD AHEAD

Industry leaders offer predictions for the beef cattle business.

By Jena McRell

Rising from their seats, a crowd of cattle raisers applauded as U.S. Secretary of Agriculture Brooke Rollins took the stage during the 2025 Cattle Raisers Convention & Expo in Fort Worth. The Texas native spoke April 12 during Texas & Southwestern Cattle Raisers Association's annual membership meeting.

"It's really great to be here. This is my background and passion," Rollins said. "I have loved traveling the country. We have been to almost 10 states now, but to be here with the cattle raisers feels like coming home."

That is exactly where Rollins was in the room full of ranchers, landowners and wildlife managers who shared a passion for the land and livestock. With lifelong ties to rural America, Rollins grew up near Glen Rose, about an hour south of Fort Worth.

She attended Texas A&M University on an agriculture scholarship and later earned a juris doctorate from the University of Texas School of Law. Her distinguished career has involved public policy and advocacy work, including serving as domestic policy chief during President Donald Trump's first administration.

A Texas & Southwestern Cattle Raisers Association member herself, Rollins gave a nod to the organization's early founders who, nearly 150 years ago, recognized the need to stand together and preserve the ranching way of life. She emphasized this important call to lead and protect, saying, "This country was built by ordinary people who were called to meet their moment."

Rollins was sworn in as the 33rd U.S. Secretary of Agriculture in February, and since that time, has been moving full steam ahead at USDA. "We are putting farmers and ranchers first," she said. "We want to get rid of every barrier between you and success."

Among the Trump administration's priorities are reducing bureaucratic red tape and overreach, renegotiating imbalanced trade commitments, and ushering in a new era of prosperity for rural America.

"I'm so honored to be part of such a transformative, somewhat disruptive, administration," Rollins said, "as we work to return the power to the people and to give all of you the space that you need to do what you do best — feed America and the world."

U.S. Secretary of Agriculture Brooke Rollins, a native of Glen Rose, addresses the crowd during the 2025 Cattle Raisers Convention & Expo.

CattleFax CEO Randy Blach presents his annual market outlook, signaling that trade uncertainity and potential impacts on international and domestic consumer demand are reasons for concern in the year ahead.

TRADE TENSION

Speaking at Cattle Raisers Convention & Expo 10 days after Trump announced his plan for global tariffs, Rollins reinforced the importance of leveling the playing field for the nation's agriculture producers. She said the average U.S. tariff on ag products around the world is 5%, while the average tariff on U.S. products is closer to 15%.

"[That's] three times more," Rollins said, "and in some cases, U.S. products face exorbitant tariffs and non-tariff trade barriers."

In 2024, she said U.S. ag exports were valued at $176 billion, supported more than 1 million jobs and accounted for more than $400 billion in economic output. Rollins said that for generations the country operated under an ag trade surplus, but under the previous administration, it became a deficit of $60 billion.

"Trump's bold action over the course of the last week has brought more than 75 countries to the negotiating table, and there is no one better to negotiate on behalf of American ranchers than our president," Rollins said. "He will ensure that decades of mistreatment and unfair trade is answered for by America's trading partners."

On the convention stage a day before Rollins' speech, CattleFax CEO Randy Blach gave his annual market outlook and emphasized that time is of the essence when it comes to renegotiated trade agreements.

At time of press, most of Trump's tariff plans have been suspended until July except those affecting China. Even so, the beef industry has already been rocked by the short-term ramifications.

"Markets don't like uncertainty," Blach said. "That's why you've seen so much money leave our markets in such a short period of time. The volatility is going to be here for a while."

As the world's largest beef producer, the U.S. exports roughly 14% of its overall production. That is valued at about $11 billion. For every calf produced today, Blach said $440 per head is generated out of the global markets.

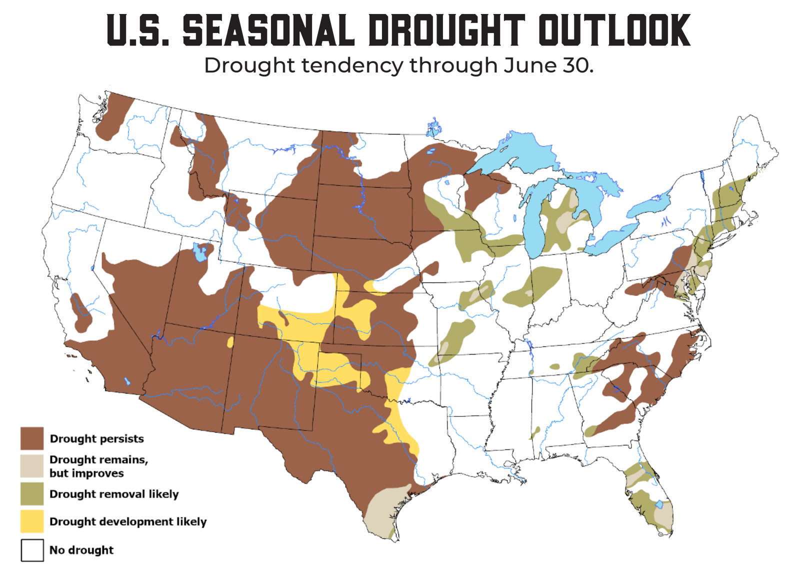
Taking it a step further, the U.S. exports approximately 17 billion pounds of protein — beef, poultry and pork — to international partners, which is valued at $24 billion. "This is a big deal," Blach said. "These markets need to move."

All eyes will be on trade commitments with the largest importers of U.S. beef, including Japan, South Korea, China, Mexico and Canada. While most countries have indicated a willingness to participate in trade talks, China remains a concern. The country imports 450-500 million pounds of U.S. beef and roughly the same amount of U.S. pork.

"If we can't ship a pound to China, where is it going?" Blach said. "Who's going to take an extra 500 million pounds of beef?"

CHANGING WEATHER PATTERNS

While drought persists, some regions could see late-spring moisture.



Source: National Weather Service, Climate Prediction Center, and National Oceanic and Atmospheric Administration.

Brian Bledsoe says weather patterns are in a season of transition, not currently in La Niña or El Niño.

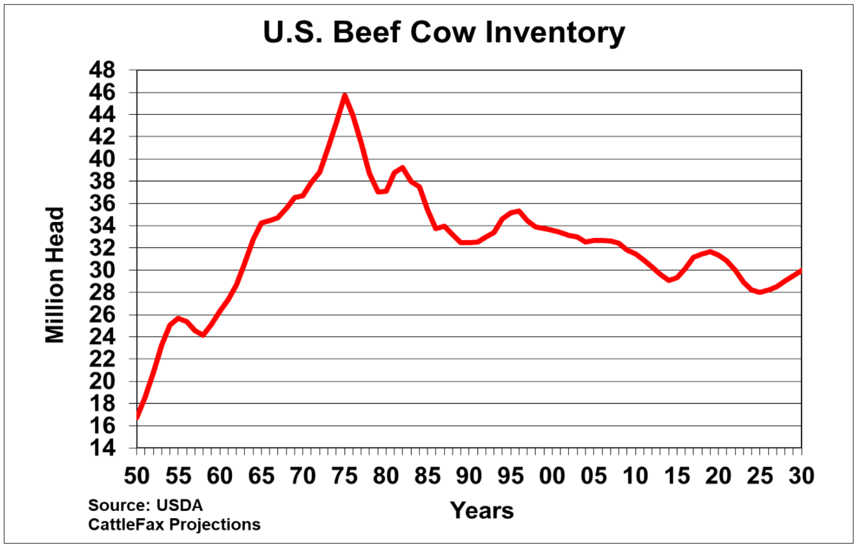
Veteran meteorologist and agricultural weather consultant Brian Bledsoe delivered a weather outlook April 11 on the main stage during Cattle Raisers Convention & Expo, offering both a realistic view of ongoing drought challenges and a few glimmers of optimism.

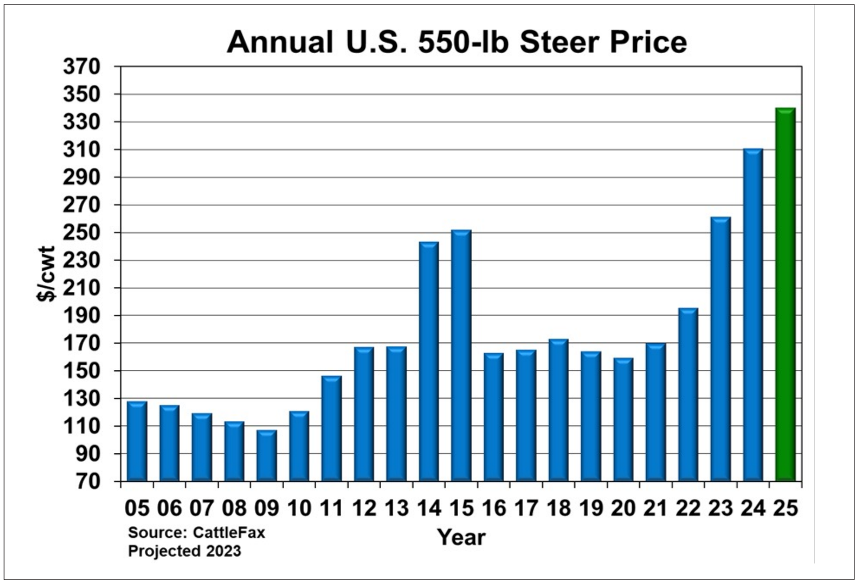
Bledsoe emphasized moisture variability across the region, noting a persistent east-west divide. “East Texas is almost always wetter than West Texas, but that has really been amped up, if you will, over the past four months,” he said.

He cautioned that much of West Texas and the Southwest remains entrenched in long-term drought. “That western area, especially across New Mexico and Arizona, is still in the midst of legacy drought — it’s been there for a few years, and when you get something like that, it’s awfully tough to break.”

Looking ahead, Bledsoe pointed to possible late-spring improvements, due to developing systems that could bring some relief in terms of moisture. Still, he warned producers not to rely on long-term forecasts alone.

While the La Niña weather pattern has weakened, the Pacific Ocean remains cooler than average, and Bledsoe said the potential for the weather pattern to return later this year shouldn’t be dismissed. “We’re technically not going to be in La Niña going through this upcoming warm season,” he explained. “However, there’s some things out there that suggest we might have to grapple with her again coming up in the fall.”





CattleFax CEO Randy Blach said tight supplies will continue to support strong cattle prices in the coming year. However, the market has likely reached its peak.

MARKETS RESPOND

On the supply side of the equation, Blach said the optics for cattle producers remain positive. Tight inventories will continue as the nation's cow herd slowly moves toward an expansionary phase.

With a little help from Mother Nature by way of timely rains, there will be more opportunity to build back, albeit with a slower growth period than what the industry experienced between 2014 and 2019.

Blach said cow-calf producers have enjoyed unprecedented profitability over the last few years, and the market's highs have likely peaked. "Most cattle cycles, the up part is five years," he said, adding that it could stretch another 12-18 months. "We're in the stage of it now that there's not a lot more to the top side."

To illustrate the record rise in cattle prices, Blach said in July 2020, fed cattle sold for 95 cents per hundredweight. In early April, those same cattle sold from $2.05 to $2.10.

The feeder cattle market jumped from $1.50 to $3 per hundredweight and the calf market increased from $1.60 to $4 per hundredweight during the same time period.

What lies ahead is difficult to predict. "The question the market is not convinced on is, how much is the demand needle going to move?" Blach said. "This makes me nervous."

Strong consumer demand, the highest in 37 years, has supported the rise in profitability for the cow-calf sector.

"It [demand growth] has been worth $800 per head," Blach said. "For those of you who are cow-calf operators in the room, which is most of you, that is the bulk of the profits that we're enjoying today. That's a big deal."

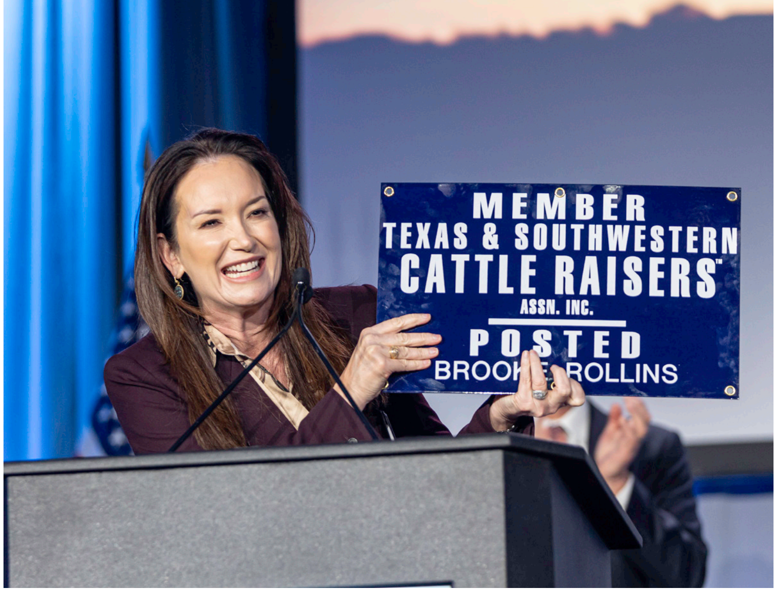
Record-high retail prices are expected to increase even more throughout the next several months due to tight supplies, Blach said. If the economy shows signs of a recession, this could represent real challenges for U.S. beef — the highest priced protein. Consumers who start to feel the effects in their pocketbooks and retirement accounts are less likely to eat out and more likely to search for affordable alternatives.

When it comes to competition in the meat case, ground beef is what goes head-to-head with pork and poultry, Blach said. More than 50% of U.S. beef consumption is in the form of ground beef. That is why the U.S. relies on lean-beef imports from places like Canada, Mexico and Australia to meet that hamburger demand.

"If we don't have this lean to mix with our 50s and 60s, we don't have tonnage," Blach said. "We don't have any value. We're not giving consumers what they want."

He added the international marketplace will continue to experience shifts as the economy and cattle cycle progress in the months and years ahead.

"When we have the highest prices in the world, our exports are going to be down. We don't have the production," Blach said. "The imports will stay strong. When we go through the rebuild, the imports will decline."



U.S. Secretary of Agriculture Brooke Rollins proudly displays her Texas & Southwestern Cattle Raisers Association POSTED gate sign.

SAFEGUARDS

Because of market uncertainty and current profitability highs, Blach stressed the importance of having profit protection plans in place. He said risk management strategies including Livestock Risk Protection, futures or forward contracts should be in everyone's plan for the year ahead.

"The volatility that we're going to go through over the next several months could be absolutely credible," Blach said. "We're at the stage where it is absolutely ridiculous not to use some of these tools that we have out here."

Back at USDA, Rollins said they are focused on getting a farm bill across the finish line this year. She underscored the need for updated reference prices and program support that gives certainty to producers planning for the future. USDA also recently reallocated $10 billion in Congressionally authorized emergency assistance to ranchers and farmers through the Emergency Commodity Assistance program.

Rollins told the crowd that holding Mexico accountable under the 1944 U.S.-Mexico Water Treaty was also a top priority. She said the agency had a $280 million grant agreement with the Texas Department of Agriculture to provide critical economic relief to Rio Grande Valley producers who have sufffered from Mexico's failure to meet water delivery requirements.

By the end of April, at time of press, Rollins announced a major win for U.S. agriculture by securing an agreement with the Mexican government to meet the current water needs of ranchers and farmers in Texas. The Mexican government committed to transfer water from international reservoirs and increase the U.S. share of the flow in six of Mexico's Rio Grande tributaries through the end of the current five-year water cycle.

While uncertainty remains for the nation's beef cattle producers, Rollins reminded the audience gathered in Fort Worth of the important role they serve. "Thank you for your support. Thank you even more for everything you do to feed and clothe not only a nation, but a world.

"Thank you for doing that because without food security, we don't have national security. There is no America without us being able to feed ourselves."

STATUS ON NEW WORLD SCREWWORM

During her address to cattle raisers in Fort Worth, U.S. Secretary of Agriculture Brooke Rollins said USDA remains hyper focused on the path of the New World screwworm and bolstering eradication efforts in Mexico and Latin America. In the weeks following the event, progress continued to unfold.

In a letter to Mexican officials, Rollins called out Mexico for their inaction to prevent further spread of NWS, threating to restrict cattle and bison movement across U.S. ports of entry should appropriate action by the Mexican government not be taken before April 30.

On the deadline day, Rollins announced that Mexico committed to eliminate restrictions on USDA aircraft and waive customs duties on eradication equipment aiding in the response to the NWS spread. Due to this agreement, at time of press, the ports will remain open to livestock imports.

In early April, Texas & Southwestern Cattle Raisers Association had boots on the ground in Panama at the world's only large-scale sterile fly production facility, which currently provides the sole defense against the NWS spread across North and South America.

Following a closed-door roundtable April 26 with Texas & Southwestern Cattle Raisers Association and Texas A&M AgriLife leadership, Rollins committed to the development of a U.S.-based sterile fly facility.

Texas & Southwestern Cattle Raisers Association commended USDA's efforts to combat NWS. The association has been at the forefront of this issue, shaping solutions that protect cattle raisers and the beef industry.

"The introduction of NWS would devastate cattle markets, cripple supply chains and cause billions in economic losses," said Texas & Southwestern Cattle Raisers Association President Carl Ray Polk Jr. "Protecting America's livestock, wildlife and food supply must be a national priority."