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Report Highlights:

Argentina is set to remain a powerhouse in global beef trade, with 2026 exports forecast at 830,000 tons carcass weight equivalent (CWE), the second highest on record. Robust international prices and a more competitive peso are breathing new life into packer margins. China will continue to dominate as the leading market, while shipments to the United States and European Union strengthen. Despite booming exports, beef production is expected to remain stagnant for a fifth straight year.

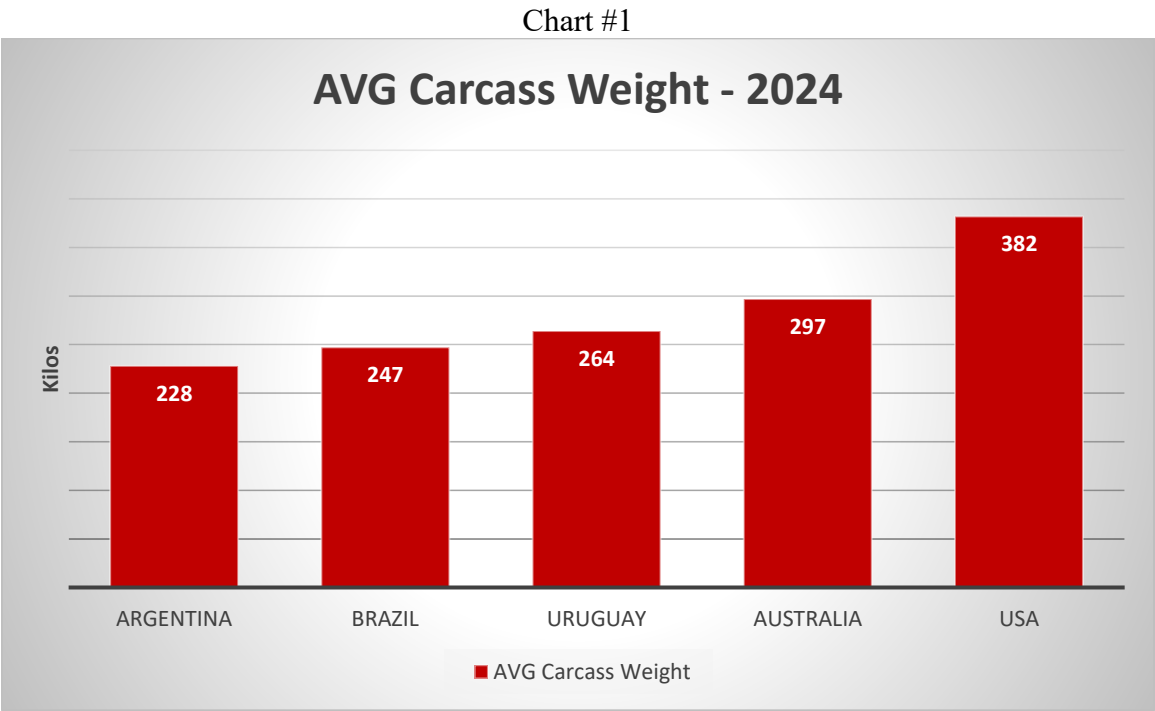
Production

Argentine beef production in 2026 is forecast at 3.2 million tons (carcass weight equivalent or CWE), practically unchanged since 2022. The slaughter is forecast marginally down to 13.7 million head but with a slightly heavier average carcass weight at 234 kilos.

Since 2018 the slaughter has ranged between 13-14 million heads per year, supported by calf crops of 14.5-15.0 million heads per year. Argentina’s calf production is quite stable which, together with a very light weight at slaughter, limits its beef production and the possibility of larger exports.

The efficiency in cow-calf operations is slowly increasing but continues to be low compared to world leading cattle/beef producers. Argentina’s cow-calf operations are located throughout the country in a vast array of production environments and climates. Most analysts agree that the low efficiency is a socio-cultural problem, as some cattlemen, mostly in the least productive areas, raise cattle in an old fashion way and do not incorporate readily available low-cost managerial tools. With a greater focus on nutrition, sanitary protocols and general management in particular regions, productivity at the national level could further expand.

The other important limitation which the country experiences is the slaughter of cattle at a young age and very light weight. This comes from a couple of decades ago when cattle were only finished on grass and the quality of the beef was quite inconsistent, making consumers prefer younger, tender heifers and light steers. Most of the local meat packing industry’s logistics is prepared and organized to handle these types of carcasses, which are normally commercialized as is, and not in quarters or boxed beef. The following chart shows Argentina’s average carcass weight compared to that of four important cattle/beef producing countries:

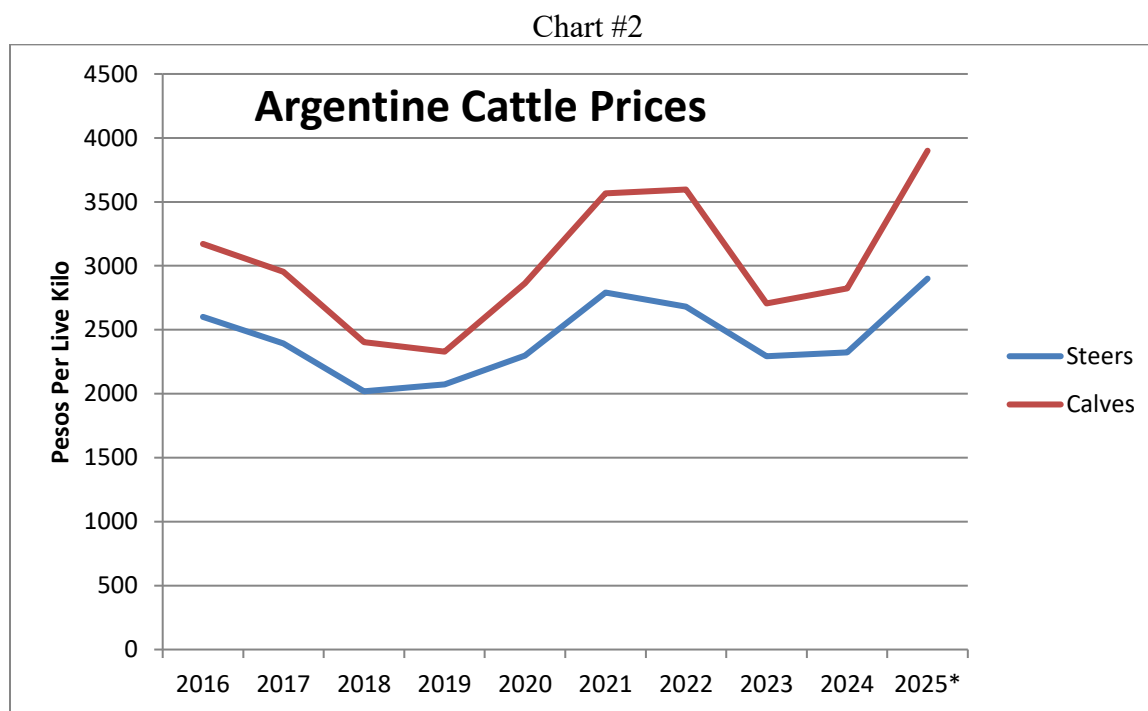


Source: Post with FAS, USDA data

Average carcass weights are projected to rise as packers and export markets show stronger demand for heavier steers. These animals provide producers with higher profitability, particularly under current feed costs and firm cattle prices, encouraging longer finishing periods before slaughter. Cattlemen and feedlots are likely to adjust rapidly to the export market's demand for heavier and larger cattle. This shift toward heavier steers and heifers is not expected to significantly affect the domestic market, which continues to account for roughly 75 percent of total beef production.

Export meat packers are currently enjoying good returns after a beginning of the year which showed low, if any, profitability. FOB prices began to improve in March/April with practically all destinations paying higher prices for beef. In addition, local currency devaluation in June/July and the lowering of export taxes for (steer) beef exports from 6.75 to 5 percent brought much needed profitability. Industry contacts expect strong foreign demand for beef to persist over the next several years, driven by structural changes in key importing countries that support higher prices. As a result, average carcass weights are forecast to increase, with export plants already offering premiums for heavier cattle.

The entire cattle and beef sector is benefiting from strong prices and favorable returns. High cattle prices across all categories are prompting some producers in marginal areas who had previously shifted to crops to reenter cattle production. Industry contacts also note new investment in ranching operations. The following chart illustrates annual average prices for finished steers and calves per live kilo in constant pesos. (data from August 1, 2025):



Source: Margenes Agropecuarios
* Price in August 2025

The cow-calf sector is currently enjoying good profitability. After three years in a row of dry weather, the last quarter of 2024 and the first half of 2025 were average or wetter than normal in most areas. There are some areas that are flooded, but in general, the conditions of pastures and cows are good. At a

country level, the weaning ratios have been improving slowly over the past several years but remain very dependent on weather conditions. However, progressive cattlemen have made great advances in efficiency and the quality of cattle through improved genetics and heavier weaning weights.

The table below shows the gross margins of a cow-calf operation in the province of Buenos Aires on natural pasture in August 2023-2025, in \$/hectare:

| | 2023 | 2024 | 2025 |
|--------------|------|------|------|
| Net Income | 146 | 152 | 158 |
| Direct Costs | 16 | 19 | 18 |
| Gross Margin | 129 | 132 | 140 |

Source: Margenes Agropecuarios

Pregnancy and weaning rates are averaging 70-80 percent in the province of Buenos Aires, and in some areas in La Pampa and San Luis with temperate weather, quality natural pastures, and good sanitary protocols. As we go up north of the country, to provinces like Entre Rios, efficiency drops off somewhat. Average weaning rates in Corrientes, Chaco, Formosa, Salta and Santiago del Estero provinces drop to 50-65 percent as the environment is harsher, with heat, unstable weather, and insect infestation. Herd management in these provinces can also be less optimal. However, in all areas there are progressive cattlemen who enjoy greater efficiency and returns.

Cattle backgrounding has made a strong come back after three years of a dry environment where the production of natural and implanted pastures was negatively affected. This production stage is among the most profitable in the cattle business, as cattle gain substantial weight at relatively low cost. After weaning at 170–200 kilos, calves are backgrounded on pasture with some silage or supplementation, achieving daily gains of 600–700 grams. Once they reach 300–350 kilos, they are typically moved to feedlots for grain finishing. Export-oriented plants are the primary buyers of these backgrounded steers, which are then placed in feedlots to complete finishing.

Based on data provided by the Argentine Feedlot Chamber, roughly 40 percent of the cattle entering their members’ yards in 2024 were backgrounded steers and heifers. If weather continues to be normal, we foresee a growth in the number of cattle backgrounded, which helps increase the average weight at slaughter.

The table below shows the gross margins of a cattle operation doing a full cycle, which goes from producing a calf, backgrounding it and finishing it for slaughter with grain supplementation. As a means of comparison, the data was taken in August of each year in 2023-2025, in \$/hectare:

| | 2023 | 2024 | 2025 |
|--------------|------|------|------|
| Net Income | 484 | 492 | 487 |
| Direct Costs | 215 | 196 | 195 |
| Gross Margin | 270 | 296 | 292 |

Source: Margenes Agropecuarios

There are very little cattle finished on grass or pastures only. Some are finished in lowlands and islands in the south of Entre Rios province where steers are finished at approximately 440 kilos.

The feedlot business is expected to continue to be strong in 2026. There are roughly 1100 feedlots officially registered which in 2024 supplied about 5 million head, or 35 percent of the country's total slaughter. Contacts estimate that there could be a similar number of unregistered feed yards, mostly at ranches or farms, which could be finishing approximately 2.5 million head a year. In total, grain fed beef accounts for a little over half of the country's total slaughter. The largest registered feed yard is in Salta province and has a capacity of 90,000 head. Following in size, the next largest one is in the province of Buenos Aires with 60,000 head capacity and then one with a 35,000 head capacity in San Luis province. There are now a significant number of feedlots in the country with a capacity of between 10,000 to 20,000.

In 2024 feedlots enjoyed a good relationship between the price of feeder cattle and finished cattle. As seen in chart 2 above this price relationship has declined as prices for feeder cattle increased to prices higher than that of finished cattle. This is expected to make feedlots put some more weight on the cattle. The price of corn is still convenient for the conversion into beef but returns in the feedlot business are currently slim. Just a few export plants own feedlots while the vast majority operate as custom feed yards attending clients in both the export and domestic markets. Gains in custom feedlots range between 1.1-1.3 kilos live weight a day.

Large supermarkets are very important customers of the cattle finished on grain. Small, independent butcheries normally buy carcasses from cattle weighing 300-350 kilos live weight. Supermarkets buy heavier cattle, weighing 380-420 kilos and exporters buy steers finished with at least 450 kilos and over.

Meat packers are demanding feedlots to keep the cattle a longer time in the feed yards as there is a direct correlation with greater marbling and improved beef quality. Beef exporters to the United States, Israel and the EU are demanding more of this type of beef. Even domestic meat packers are shifting greater attention to China, a market where the United States and Australia maintain a strong presence in grain-fed beef. This reflects both the scale of Chinese demand and the growing interest of local packers in diversifying export opportunities.

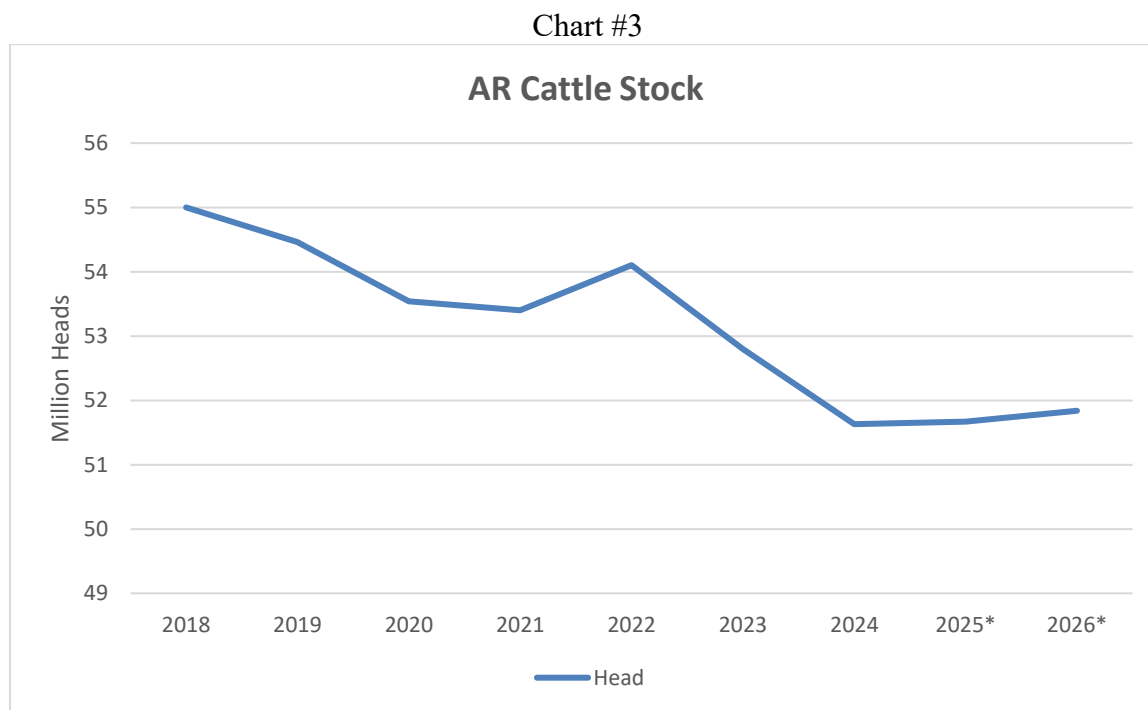
As of January 2026, Argentina will begin to trace most livestock, being compulsory for cattle and horses. The electronic tags will have to be purchased by producers and all weaned calves in 2026 will be the first category to be tagged. Electronic identification should have started a year ago but was postponed for a few months due to the unavailability of the needed number of tags. Beef exporters report that this requirement is a step in the right direction to improve quality and sanitary assurance for customers.

In mid-2025, Bolivia and Brazil were recognized as free of FMD without vaccination, prompting debate in Argentina over whether to follow a similar path. Most industry stakeholders remain cautious, citing the severe risk an outbreak would pose to the sector and the country. Paraguay recently announced it will cease vaccination in 2027, aiming for FMD-free status without vaccination in 2028, while Uruguay has opted to continue vaccinating since its major export markets remain open to vaccinated beef.

In mid-2024 the government established that in two years all slaughter plants in the country shall implement the grading of carcasses, identifying by age, sex, grade of fat, and conformation to determine quality. This requirement is expected to improve the information about the slaughtered cattle and allow

more efficient marketing and pricing based on quality. Analysts believe this rule is especially beneficial for the export-focused plants. By mid-2025, some 130 plants already had the new grading system implemented, accounting for approximately 80 percent of the country's slaughter.

The cattle ending stock in 2026 is forecast at 51.84 million head, practically unchanged from the previous two years. This is the smallest herd size in the past 15 years. As shown in the chart below, the cattle stock since 2018 experienced a smooth but constant decline. Much had to do with the very dry environment suffered in the country between 2020-2023 and the very high prices for cows paid by exporters supplying the Chinese market which encouraged higher female slaughter. The lack of good financial credit to allow cattlemen to retain more cattle and increase their herds has also had a negative impact.



Source: Secretaria de Agricultura, Argentina
* Post's estimate and Post's projection

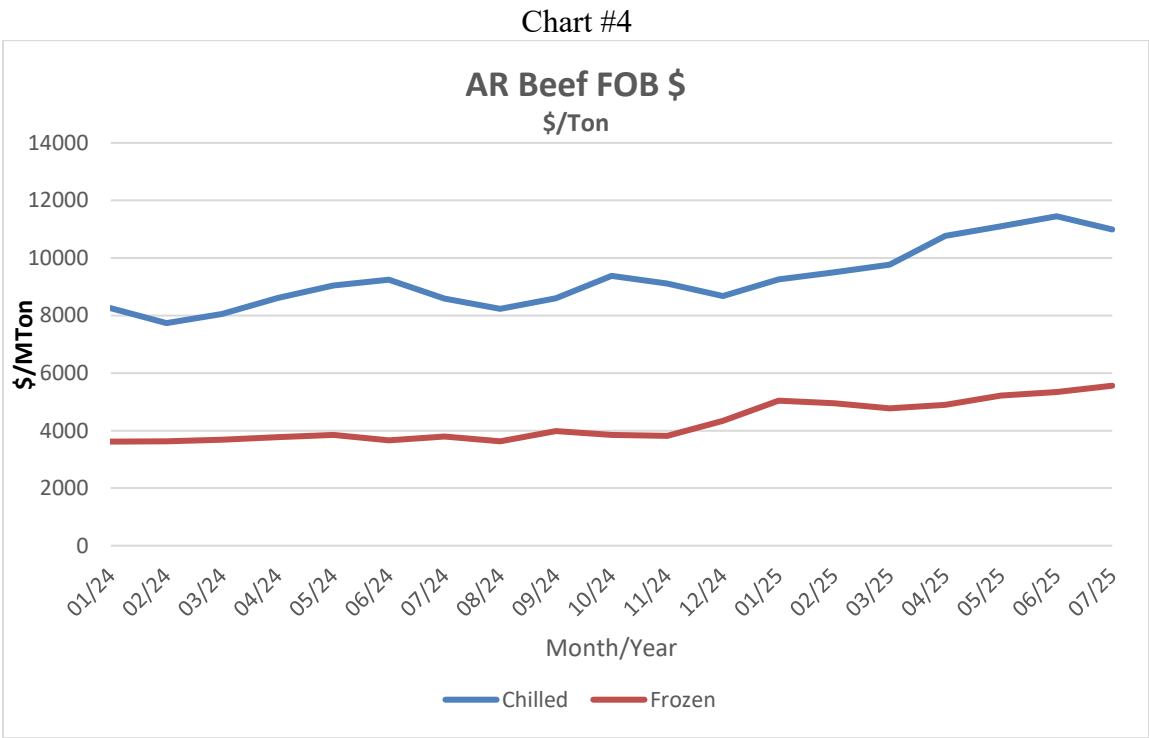
The local meat packing sector is expected to have a good 2026, with an increase in export and domestic prices. Analysts indicate that, despite high production costs in dollar terms, strong foreign demand should maintain good profitability for meat packers.

Argentina has a slaughter capacity of about 16 million head annually, with a use capacity of 85-90 percent. There are 460 slaughter companies officially registered, with some 150 plants registered for federal transit. The largest 10 meat packing companies account for approximately 25 percent of the total, in approximately 20 plants. This shows the large atomization of the local industry, very different to most large beef producing countries. There are approximately 30 export companies which operate 40 plants and account for 40-45 percent of the total. In general, these companies export 75 percent of their production and market domestically the balance. In the past several years there has been significant

investment in the export sector, especially when exports to China expanded significantly. Many plants reopened, while many others augmented, especially the slaughter and freezing capacity.

Trade

Argentine beef exports in 2026 are forecast up at 830,000 tons cwe, just below the record volume of 2024. Traders report strong foreign demand for beef, rising prices, and geopolitical shifts that could favor Argentine exports. At the same time, domestic demand which absorbs 70–75 percent of total production, remains firm, supported by a strong peso that enables consumers to pay competitive prices in dollar terms. The following chart shows Argentina’s average FOB prices for the past year and a half for chilled and frozen boneless beef, showing an escalating trend since April 2025.

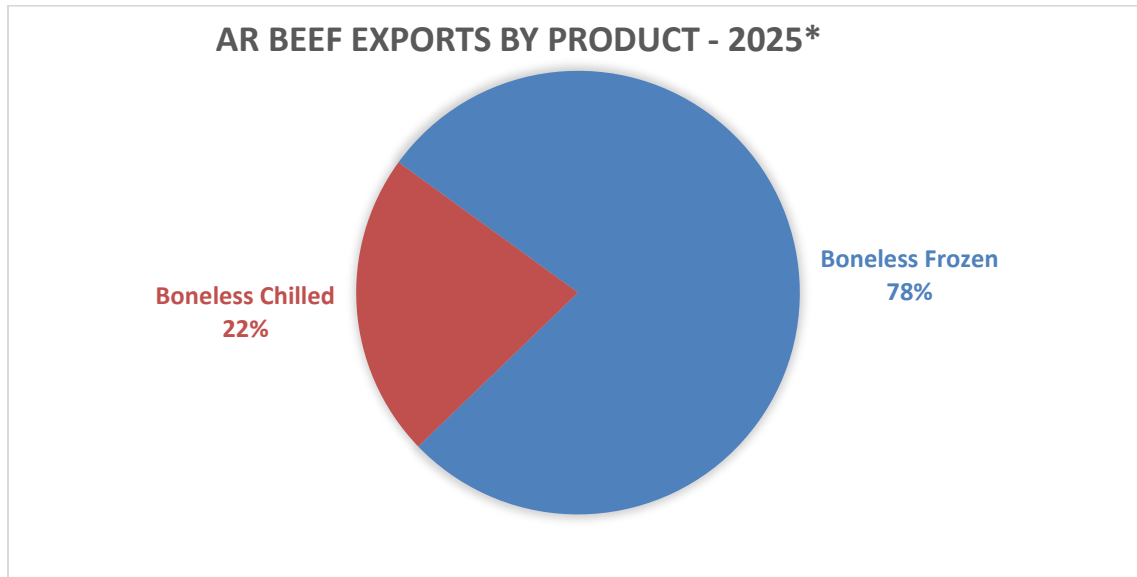


Source: Post with TDM

Argentine beef exports (bone-in excluded) in the first 7 months of 2025 totaled 277,500 tons in product weight for a total value of \$1.75 billion. Frozen manufacturing beef was the main product exported, with China as the principal destination by far, followed by the United States and Israel. Exports of boneless chilled beef during the same time period were smaller in volume but with a more than double average FOB price (compared to frozen) and had the EU as the main destination, followed by Chile and Israel. Recently, local meat exporters have become aware of growing demand for grain-fed beef from their main customers, putting focus on higher marbling and its close correlation to higher-quality beef.

The following chart shows the share of the different beef products exported by Argentina in the period January-July 2025 (bone-in beef excluded):

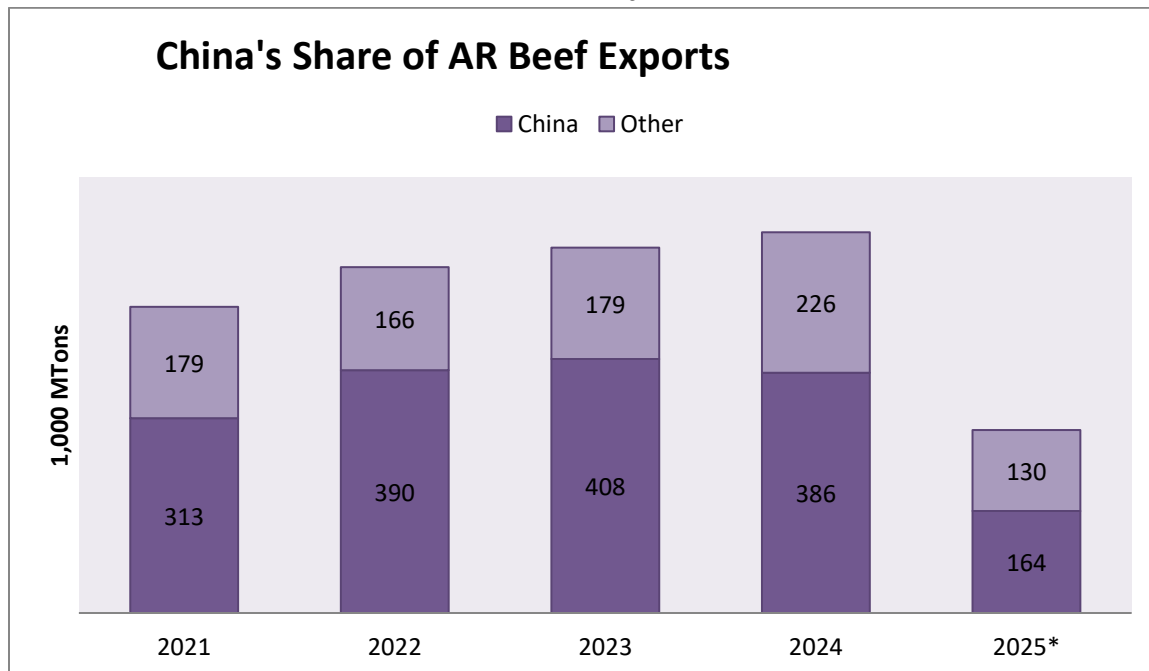
Chart #5



Source: Post with Trade Data Monitor
 * In Product Weight, January-July 2025

China is forecast to continue to be the main destination by far in 2026, a position held since 2015. Its market share in 2021-2024 ranged between 63-70 percent of the total (excluding bone-in and bone exports) but has lately showed a drop. In the first 7 months of 2025, exports to China accounted for just 56 percent of the total as larger volumes of somewhat similar beef cuts were shipped to the United States and Israel.

Chart #6



Source: Post with TDM data
 * January-July 2025

Argentine exports of beef to China is primarily beef from older or spent cows. It is mostly frozen, boneless manufacturing beef in blocks and shin shank. There are some minor exports of round cuts and very few premium cuts. The latter is a market which is still difficult to address by local exporters as it demands grain-fed beef with high marbling from cattle that has been in confinement for longer periods than what they normally are in Argentina. The premium cut export market is generally supplied by Australia and the United States.

Exports to China in 2026 will depend greatly on two things: 1) the final determination that the Chinese Government takes based on its ongoing antidumping investigation for beef imports following a request from their local beef sector back in late December 2024. The Chinese government recently announced that it was extending the investigation until late November 2025 due to the complexity of the case. The outcome is unknown; and 2) in early August, the United States increased Brazil's import duty for most products by 50 percent (10 + 40 percent), directly affecting its beef exports. While this level of duties persists, the United States will most likely not import Brazilian beef and instead source greater volumes of beef from other origins such as Argentina. If this situation persists, Argentina will most likely reduce beef exports to China as both markets demand similar beef cuts. Prior to the duty increase, Brazil was exporting to the United States between 25,000-35,000 tons product weight a month.

The United States is projected to be the second most important market in 2026, measured in volume. According to local brokers, the United States is struggling to fully meet its domestic beef demand, suggesting that imports will stay firm in 2026. This presents continued opportunities for suppliers able to meet U.S. quality and market requirements. There are two large Brazilian meat companies established in Argentina which could supply more products to the United States from their Argentine plants.

The US primarily demands frozen, boneless manufacturing lean beef in blocks, which the industry uses primarily for ground beef. Argentina also exports frozen and/or chilled knuckles, top sides, flank steaks and inside and outside skirts. Some kosher cuts, as well as organic, and/or natural beef are also shipped.

In 1995 the United States allocated Argentina a tariff rate quota of 20,000 tons product weight a year at a low duty of \$44 per ton. Argentina is lately fulfilling the quota and exporting significant volumes of beef outside the quota, paying a 26.4 percent tariff. The government of the United States recently increased Argentina's import duties by 10 percentage points, including beef.

The EU, one of Argentina's main historic destinations, is projected to be the third most important market in 2026. It has lately shown a surprisingly firm demand at higher prices. Many countries in the union are expanding their purchases but most noticeably being the Netherlands. The demand for high quality grain-fed beef is currently very strong, while some exporters mention that even more than that of the historic premium cuts of the grass-fed Hilton Quota. The vast majority of the exports are boneless, chilled rump and loin, and hind quarter cuts.

Israel is a growing market for Argentine beef and continues to demand greater volumes and quality, with significant higher average FOB prices in the first 7 months of 2025. Israel typically buys kosher frozen, boneless forequarter cuts. It is also importing high-quality chilled cuts and some bone-in cuts.

Chile is also forecast to be an important market for Argentine beef in 2026, but it is a very competitive market in which beef from other regional suppliers, namely Paraguay and Brazil have a strong presence. This market demands normally 16 cuts, boneless and chilled.

Exports to Brazil in 2026 are forecast to remain at historic levels at 6-8,000 tons product weight. It is a market which demands very specific beef cuts such as frozen and chilled rump cap (a very popular cut there), some strip loin, and rump steaks.

The Secretariat of Agriculture eliminated the prohibition on live cattle exports in February 2025, a move widely supported by many industry stakeholders who point to regional experiences where live exports boosted calf prices and improved returns for producers. However, skepticism remains over the growth potential of this trade, given resistance from segments of the packing industry and workers' unions. Most analysts agree that live cattle exports are unlikely to materialize in the short term due to several obstacles, including limited infrastructure, transport bottlenecks, and the need to adapt production practices. Argentine calves are generally castrated, while most export markets demand young bulls, requiring adjustments in herd management. In addition, sanitary protocols must be established with importing countries before trade can commence. While no exports have yet taken place, industry contacts confirm that serious analysis is underway, and shipments could begin in 2026.

Beef imports in 2026 are projected at 26,000 tons CWE, marking the second highest level after the record set in 1998. While imports account for just 1 percent of total domestic beef consumption, several factors are fueling expansion of this trade. A strong local currency has made imported products increasingly price competitive, while high FOB prices continue to encourage large-scale exports of Argentine beef. At the same time, certain cuts from neighboring countries are available at very competitive prices, further incentivizing imports. Most industry contacts view this dynamic favorably, noting that it aligns with practices in other major beef-exporting nations where imports complement domestic production and support export growth.

Most imports are boneless frozen beef which is utilized by the same meat packers to produce primarily burgers for the local market. Some chilled round cuts are also imported and sold for retail. Brazil is the main supplier, followed by Paraguay and Uruguay.

Consumption

Despite a similar volume of beef supply than in 2025, domestic consumption in 2026 is forecast to drop somewhat at 2.4 million tons cwe, as beef exports are projected to increase. Argentines are projected to consume 74 percent of the total beef supply.

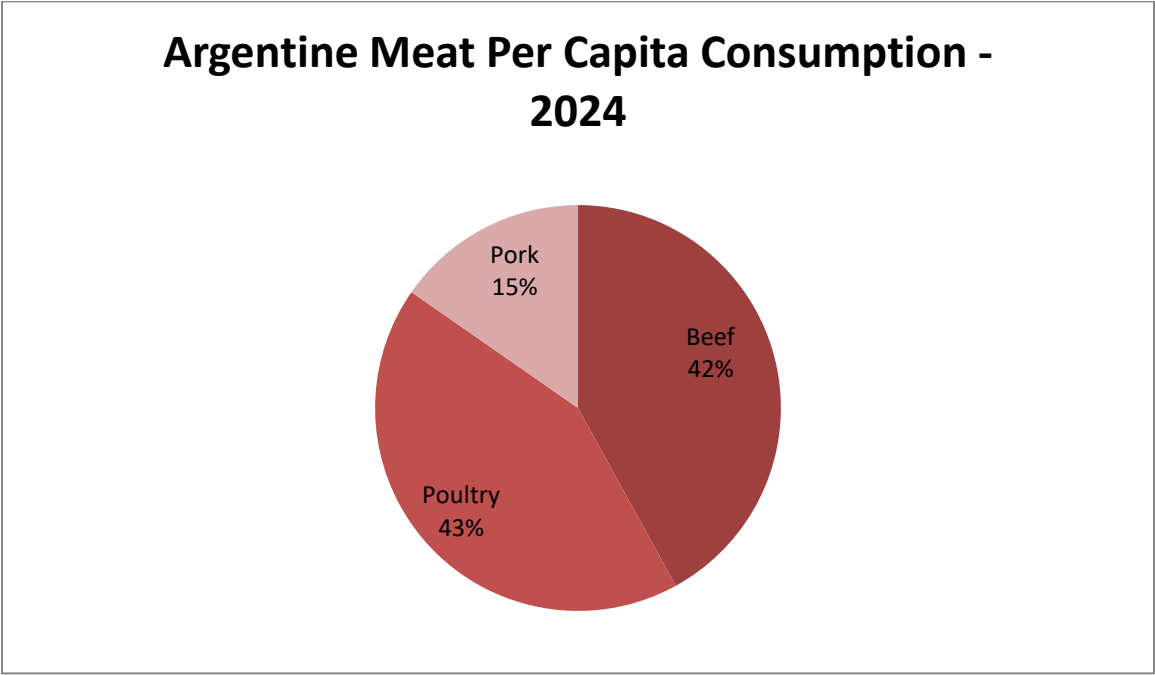
Beef domestic consumption in 2025 is expected at 2.47 tons cwe, almost 6 percent higher than the previous year, because of the combination of greater beef supply and lower exports, especially in the first 4 months of the year due to low profitability in the export business. Since May 2025, higher FOB prices and a weaker local currency have improved the profitability of local export beef plants which are now devoting greater volumes of beef to the foreign market.

Despite being one of the world's largest consumers of beef, Argentines in the past decades have been reducing their consumption quite significantly. While in 2000-2010 the annual per capita consumption

ranged between 60-70 kilos, in 2011-2018 it ranged between 55-60 kilos cwe. Since 2019, annual per capita consumption has dropped to around 50 kilos cwe. Analysts indicate that if the world’s current appetite for beef continues to be strong in the years to come, Argentine consumption of beef will most likely continue to drop and be replaced by growing consumption of pork and poultry. Argentina produces large volumes of poultry and continues to expand its pork production but still needs to import small volumes of pork primarily for the processing industry to meet its demand.

Argentina continues to be one of the world’s largest consumers of animal protein. Based on a report published by the Bolsa de Comercio de Rosario in 2024, Argentina ranked second to the United States as the world’s largest consumers of animal protein per capita, with 115 kilos per year.

Chart #7



Source: Bolsa de Comercio de Rosario

Statistical Tables

| Animal Numbers, Cattle Market Year Begins | 2024 | | 2025 | | 2026 | |
|---|------------------|----------|------------------|----------|------------------|----------|
| | Jan 2024 | | Jan 2025 | | Jan 2026 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Argentina | | | | | | |
| Total Cattle Beg. Stks (1000 HEAD) | 52800 | 52800 | 52370 | 51630 | 0 | 51670 |
| Dairy Cows Beg. Stocks (1000 HEAD) | 1500 | 1500 | 1520 | 1490 | 0 | 1490 |
| Beef Cows Beg. Stocks (1000 HEAD) | 20880 | 20880 | 20700 | 20610 | 0 | 20400 |
| Production (Calf Crop) (1000 HEAD) | 14500 | 14600 | 14700 | 14800 | 0 | 14900 |
| Total Imports (1000 HEAD) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Supply (1000 HEAD) | 67300 | 67400 | 67070 | 66430 | 0 | 66570 |
| Total Exports (1000 HEAD) | 0 | 0 | 0 | 0 | 0 | 30 |
| Cow Slaughter (1000 HEAD) | 6650 | 6650 | 6250 | 6550 | 0 | 6450 |
| Calf Slaughter (1000 HEAD) | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Slaughter (1000 HEAD) | 7280 | 7280 | 7150 | 7350 | 0 | 7250 |
| Total Slaughter (1000 HEAD) | 13930 | 13930 | 13400 | 13900 | 0 | 13700 |
| Loss and Residual (1000 HEAD) | 1000 | 1840 | 900 | 860 | 0 | 1000 |
| Ending Inventories (1000 HEAD) | 52370 | 51630 | 52770 | 51670 | 0 | 51840 |
| Total Distribution (1000 HEAD) | 67300 | 67400 | 67070 | 66430 | 0 | 66570 |
| | | | | | | |
| (1000 HEAD) | | | | | | |
| OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query | | | | | | |

| Meat, Beef and Veal Market Year Begins | 2024 | | 2025 | | 2026 | |
|---|------------------|----------|------------------|----------|------------------|----------|
| | Jan 2024 | | Jan 2025 | | Jan 2026 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Argentina | | | | | | |
| Slaughter (Reference) (1000 HEAD) | 13930 | 13930 | 13400 | 13900 | 0 | 13700 |
| Beginning Stocks (1000 MT CWE) | 0 | 0 | 0 | 0 | 0 | 0 |
| Production (1000 MT CWE) | 3180 | 3180 | 3080 | 3220 | 0 | 3210 |
| Total Imports (1000 MT CWE) | 3 | 3 | 6 | 22 | 0 | 26 |
| Total Supply (1000 MT CWE) | 3183 | 3183 | 3086 | 3242 | 0 | 3236 |
| Total Exports (1000 MT CWE) | 845 | 847 | 770 | 770 | 0 | 830 |
| Human Dom. Consumption (1000 MT CWE) | 2338 | 2336 | 2316 | 2472 | 0 | 2406 |
| Other Use, Losses (1000 MT CWE) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Dom. Consumption (1000 MT CWE) | 2338 | 2336 | 2316 | 2472 | 0 | 2406 |
| Ending Stocks (1000 MT CWE) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Distribution (1000 MT CWE) | 3183 | 3183 | 3086 | 3242 | 0 | 3236 |
| | | | | | | |
| (1000 HEAD) ,(1000 MT CWE) | | | | | | |
| OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query | | | | | | |

Attachments:

No Attachments