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Prepared By: Kenneth Joseph

Approved By: William Verzani

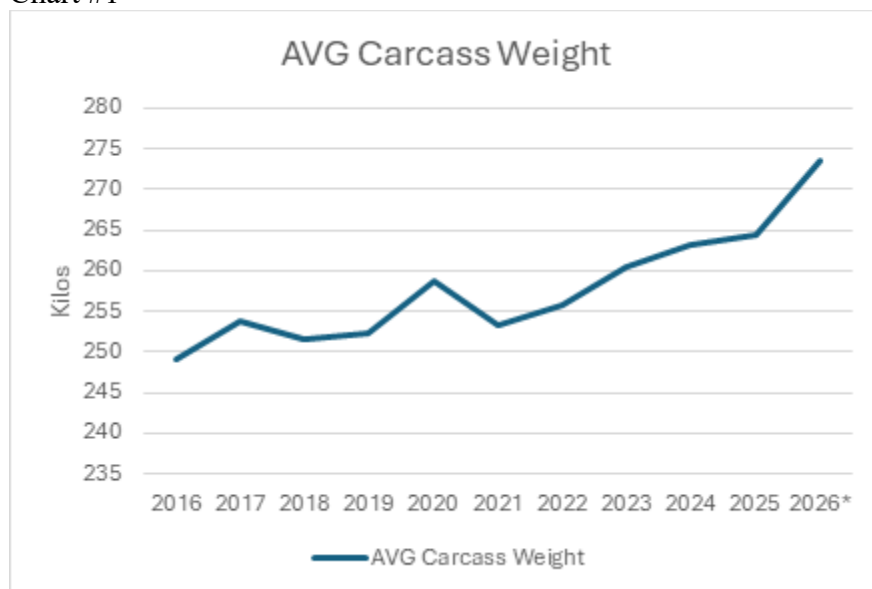
Report Highlights:

Uruguayan beef exports in 2027 are forecast at 520,000 tons carcass weight equivalent (CWE), the highest level since 2021, supported by an expected increase in cattle slaughter and beef production. The United States and China are projected to remain the two largest export markets. Cattle are consistently being slaughtered at younger ages and heavier weights, reflecting changing market dynamics and the growing use of grain feeding. Domestic beef consumption is forecast to increase marginally.

Production

Uruguayan beef production in 2027 is forecast at 650,000 tons carcass weight equivalent (CWE), the highest level since 2021. Cattle slaughter is expected to increase to 2.35 million head, roughly in line with the decade average. Live cattle exports are projected to remain at recent levels of 350,000-400,000 head. Meanwhile, the average slaughter weight is forecast at 276 kilograms CWE, continuing the steady trend toward heavier and younger cattle.

Chart #1

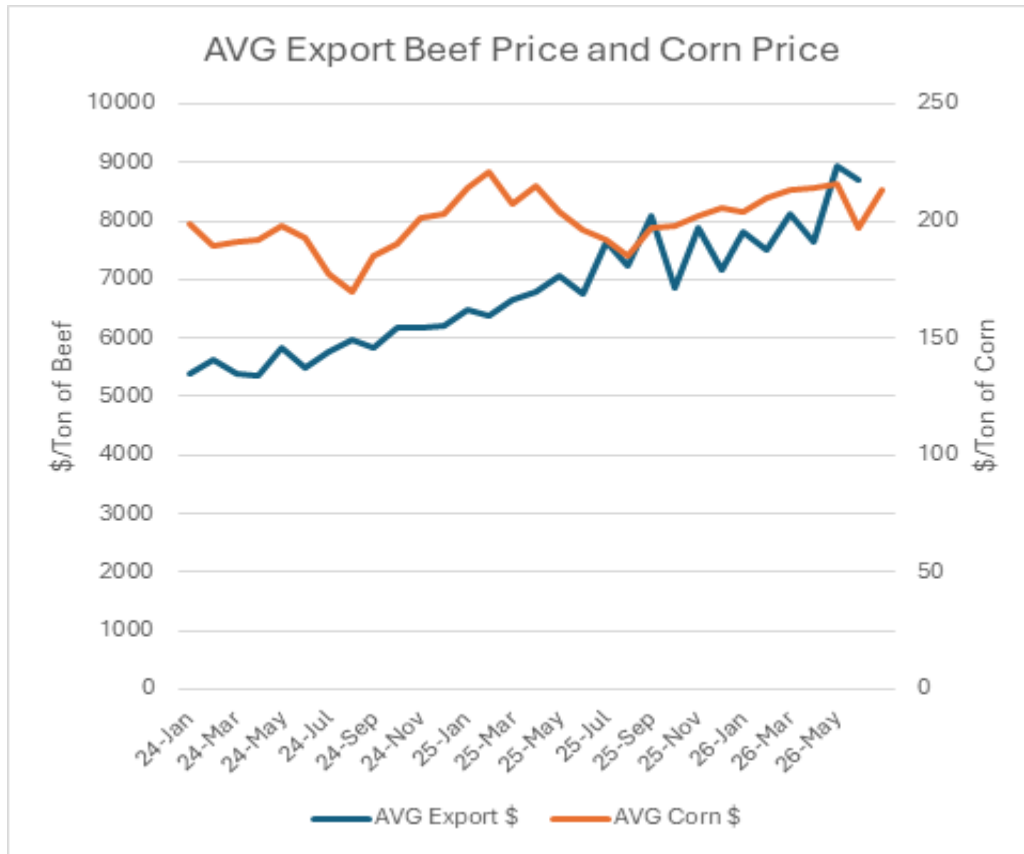


Source: Post with Inac data

A record number of calves born in 2025 and 2026, combined with increased feeding intensification driven by strong economic incentives, is expected to provide ample cattle for slaughter in 2027. Slaughter is projected to rank among the five highest levels on record. Private estimates indicate that grain-fed cattle could account for roughly 40-45 percent of total slaughter in 2027.

As shown in Chart #1, the average carcass weight in 2027 is also forecast to exceed the record set in 2025 and the expected new record of 2026. Strong finishing margins, particularly when cattle can be backgrounded on relatively low-cost pasture before being fed grain, are encouraging producers to add weight more rapidly before slaughter. This trend reflects the combination of several factors that have developed over the past couple of decades, with a notable acceleration since late 2024 and early 2025. Beef export prices began a strong upward trend during this period, while corn prices remained relatively low following the highs recorded between 2021 and 2023. The resulting improvement in the economics of cattle finishing has provided producers with stronger incentives to extend feeding and add more weight.

Chart #2



Source: Post with TDM data (AVG export \$) and World Bank (corn \$)

The number of cattle slaughtered in 2026 is now forecast at 2.15 million head, below Post’s previous estimate. The reduction is primarily due to the smaller calf crop in 2023 following a severe drought, as well as producers extending the finishing cycles by several weeks or months. High feeder cattle prices and stronger demand from export-oriented packers for heavier cattle are encouraging producers to hold cattle longer before slaughter.

The main driver of the structural transformation in Uruguay’s cattle sector producing younger and heavier cattle at slaughter has been the country’s strong access to major high-value beef markets, which has supported relatively high export prices. Beef exports are critical in the sector, accounting for roughly 80 percent of total production. Export prices have a strong and direct influence on domestic cattle prices which translate into strong producer returns, encouraging cattlemen to produce more beef and increase both the number and quality of calves produced.

These incentives have led to greater investment in improved pastures, nutrition, genetics, herd management, tighter sanitary programs and more sophisticated feeding systems with a wide use of grains and byproducts. Uruguay’s participation in the EU’s 481 High-Quality Beef Quota, which provides access for high-quality grain-fed beef, also helped accelerate the adoption of grain feeding. This evolution has also benefited the processing industry, allowing packers to reduce processing costs while meeting international demand for larger beef cuts.

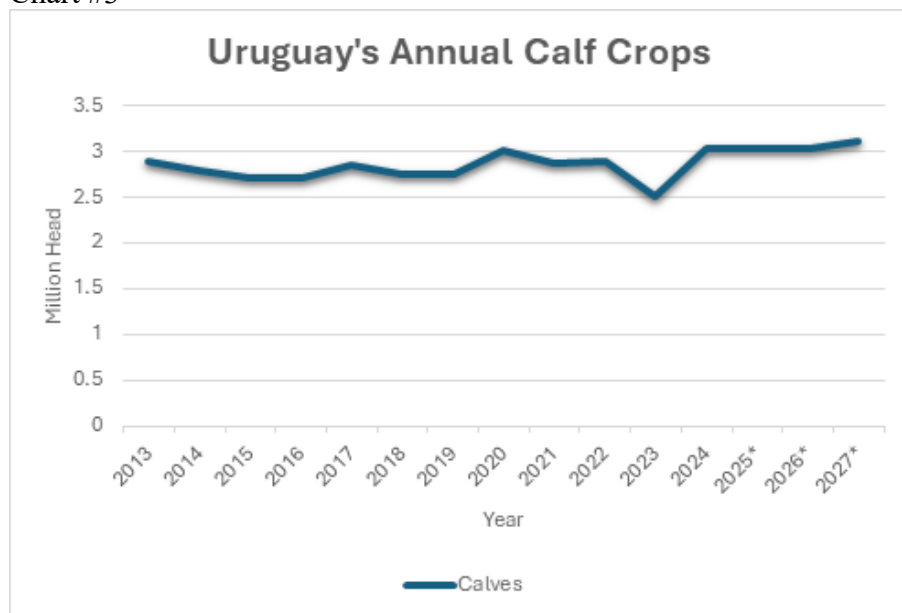
Another important competitive advantage is Uruguay's individual cattle identification and traceability system. Introduced in 2006 and practically fully implemented across the cattle herd by 2010, the system allows individual animals and beef cuts to be traced back to the farm of origin. This provides Uruguay with an important advantage in international markets and supports the country's reputation for quality.

Uruguay has also invested in marketing its beef as a natural product, emphasizing attributes such as extended periods of pasture-based production, open-air grazing, and the absence of growth promoters and animal protein in feed. The country exports organic beef to specific niche markets, including the Never Ever 3 program, as well as certified kosher beef. However, the rapid expansion of grain-fed production could gradually modify this marketing strategy. Uruguay can increasingly position its beef as grain-fed, higher-marbled beef while maintaining its advantages of hormone-free production and robust traceability. Broad access to international beef markets further strengthens the sector by reducing its dependence on any single destination, an advantage over exporters with more concentrated market exposure.

Calf production is also increasing. The number of calves born in 2027 is projected at a record 3.12 million head, while the average calf crop for 2024-2027 is estimated at 3.06 million head, with annual production exceeding 3 million head throughout the period. This compares with an average of 2.8 million calves born annually during 2013-2023, despite the breeding herd remaining quite similar in size.

The increase reflects productivity gains from improved herd management, particularly better nutrition, sanitary, and reproductive practices. Early or temporary weaning has helped improve pregnancy rates, while the adoption of higher-quality genetics has focused on easier calving, heavier calves, better feed conversion, and improved carcass traits. Despite recent adverse environmental conditions associated with La Niña, average weaning rates have increased from about 63 percent during 2013-2023 to nearly 70 percent in recent years.

Chart #3



Source: Post with FAS data

* Post estimate/projection

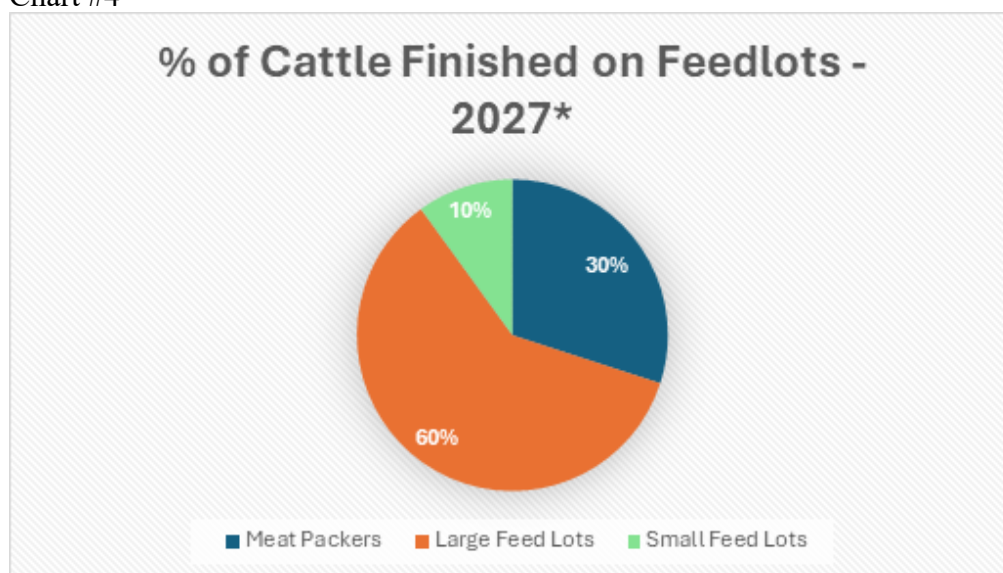
Once weaned, most calves are backgrounded on natural or improved pastures to develop a larger frame more rapidly. Grain or by-product supplementation is commonly used, particularly during the first few months, while backgrounding in confinement remains limited. Calves typically grow from 160-180 kilograms to around 380-400 kilograms liveweight, at which point steers and heifers enter feedlots for a 100-120-day finishing period, with average daily gains of 1.3-1.6 kilograms. Heifers destined for export markets generally follow a similar production system to steers, although they are usually marketed at lighter weights.

After backgrounding, cattle are primarily finished on high-productivity pastures and/or winter pastures, typically ryegrass or oats. Many producers also supplement cattle with grain or by-products for several months to accelerate finishing. This practice has expanded significantly over the past two years as high cattle prices and relatively stable feed costs have improved the economics of adding weight. Producers can feed cattle at a cost substantially below the value of the additional liveweight, creating a strong incentive to maximize weight gain. Common feed ingredients include high-moisture corn, dry corn, corn silage, sorghum, barley, and, when quality issues limit other uses, wheat.

Confinement finishing has also expanded rapidly over the past two to three years. Uruguay has more than 100 officially registered feedlots, with a combined instant capacity of over 250,000 head. Most are in southwestern Uruguay, close to the country's main grain-producing areas. According to official data, these operations sent approximately 410,000 head to slaughter in 2025. However, numerous smaller feedlots and grain-supplementation operations on ranches and farms are not included in the official figures and are estimated to be nearly double the registered capacity.

Industry contacts estimate that around 900,000 cattle could be finished on grain in Uruguay in 2026, with this number expected to increase by another 10 percent in 2027. Investment in additional feedlot capacity is currently strong, including both expansions of existing yards and the development of new operations. The local meat packing industry is expanding the use of their own exclusive feedlots. A private estimate sets the projected 2027 number of cattle finished on feedlots as follows:

Chart #4



Source: Post with industry contact information

* Projection

Uruguay has approximately 50 slaughter plants, of which roughly 30 were in operation in 2025. In that year, the first 10 plants accounted for roughly 70 percent of the total, while the top 2 meat packing groups (which operate 4 plants each with Brazilian capital), accounted for approximately 50 percent. The third largest group was Uruguayan, with roughly 16 percent of the total slaughter. With 80 percent of the country's beef production being exported to the most demanding markets, meat packers are accustomed to receiving frequent sanitary inspections from their main clients.

Contacts indicate that, in general, meat packers did not have positive returns in 2025 and that 2026 appears to be somewhat similar or slightly better. Significantly higher FOB prices have not offset high local cattle prices, nor have they increased processing costs in dollar terms. Scarce cattle supplies in 2026 and large unused slaughter capacity make the competition among meat packers even worse.

Uruguay enjoys a robust sanitary status, being categorized by the World Organization of Animal Health (OIE) as free of Foot and Mouth Disease with vaccination and of negligible risk for BSE, while supported by an effective cattle and beef traceability system.

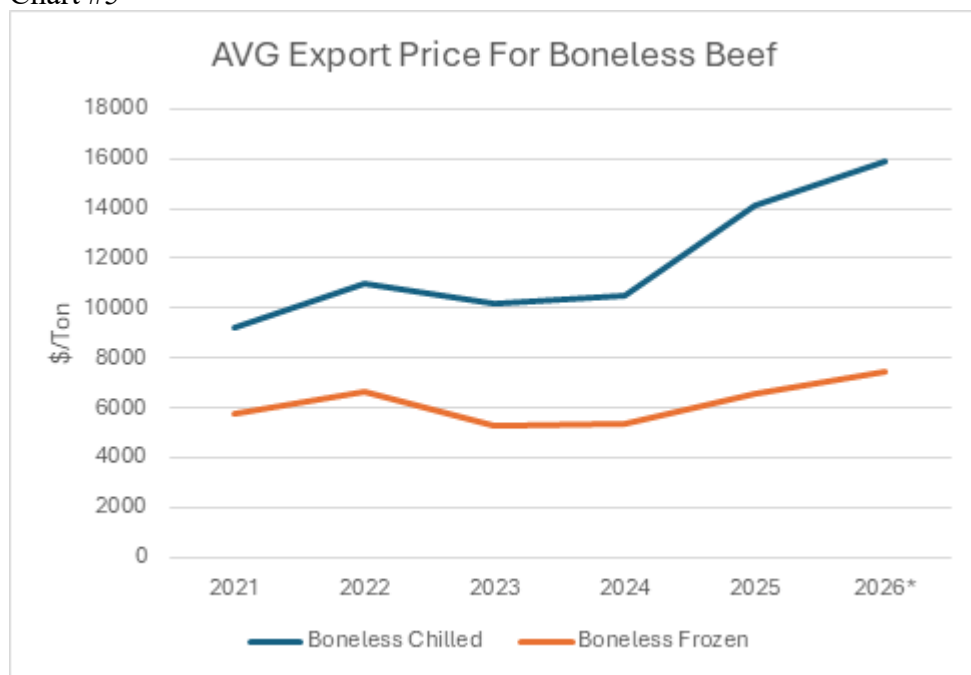
The main sanitary problem Uruguay is undergoing is related to ticks, a parasite which attaches to cattle and sucks its blood with the potential of transmitting tick fever disease, affecting cattle productivity. It is endemic in northern areas, but it is currently present across the country. It increases producers' production costs and restricts animal movements between operations. Ticks are treated with acaricides which can leave residues in beef if the withdrawal period prior to slaughter is not respected. Contacts report this has occurred with the Chinese market where two Uruguayan plants were recently suspended due to the finding of beef with drug residues above the permitted maximum limits. This has created a significant challenge for industry and government as it is more of a problem at the ranch level. The Ministry of Livestock is implementing an integrated control system at the ranch level focusing on education, prevention, rotating the use of acaricides to reduce drug resistance, and working closely with vets. The Ministry is also working with meat packers to prevent any filtration of cattle which could test positive for excessive drug residue.

Trade

Uruguayan beef exports in 2027 are forecast up at 520,000 tons CWE following a projected strong recovery in beef production, while domestic consumption is forecast to increase marginally. This projection uses USDA's rate of 1.36 to convert boneless beef to carcass weight equivalent.

Beef supplies in 2027 are forecast to increase by 55,000 tons CWE, of which 90 percent would be exported, given the strong global demand for beef and very firm FOB prices since late 2024. The chart below shows Uruguay's average export price for the past multiple years for boneless chilled and frozen beef which together account for 90 percent of the country's total export value.

Chart #5



Source: Post with TDM data

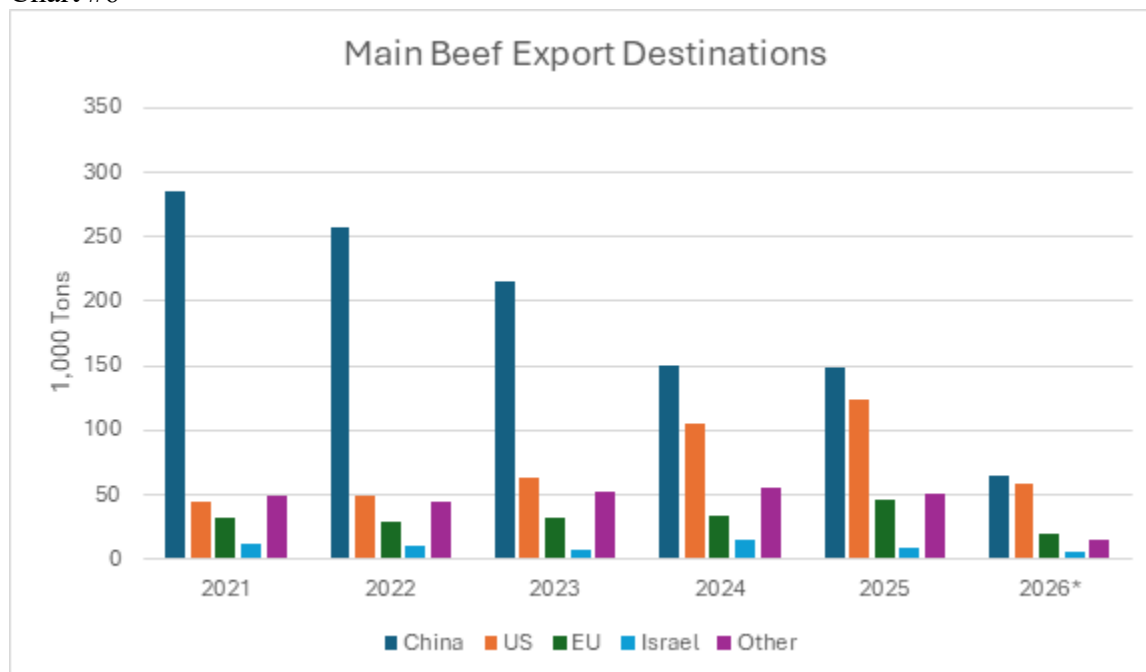
* January-June

As shown above, prices for chilled boneless beef have increased above those for frozen boneless beef, particularly because of strong prices paid by the EU and Israel. Frozen boneless beef, which accounted for 70 percent of Uruguay's beef exports by product weight during the first half of 2026, faces a significantly more competitive international market.

Uruguayan beef exports in 2026 are forecast at 470,000 tons CWE, down from the previous year. The decline reflects lower beef supplies resulting from reduced slaughter, while domestic consumption has remained surprisingly strong, supported by relatively inexpensive imported beef.

The chart below shows Uruguay's main beef export markets over the past five and a half years, measured in tons of product weight:

Chart #6



Source: Post with TDM data

* January-June

The chart above shows a clear shift in Uruguay's beef export markets, with dependence on China declining as shipments to the United States have increased. During the first half of 2026, exports to the two markets were nearly equal in volume, measured in product weight, while shipments to the United States were almost 25 percent higher in value. Combined, China and the United States accounted for 76 percent of Uruguay's total beef exports during this period. Both markets have strong demand for similar products, particularly frozen boneless manufacturing beef. Exports to the EU and Israel have remained relatively stable.

Exports to the United States are expected to remain strong in 2027, supported by expectations of continued solid demand. Shipments consist primarily of frozen boneless beef blocks with 90 percent chemical lean (CL), while smaller volumes of premium chilled cuts, as well as organic, natural, and kosher beef for niche markets.

In 1995, the United States established a 20,000-ton tariff-rate quota (TRQ) for Uruguay, subject to a low duty of \$44 per ton. Uruguay has consistently filled this quota since 2013 and has also exported significant volumes outside the quota, paying the 26.4 percent tariff. In 2025, Uruguayan beef exports to the United States totaled 124,500 tons product weight, valued at \$937 million. During January-June 2026, exports reached 59,000 tons, 13 percent lower in volume and 3 percent lower in value than during the same period of 2025.

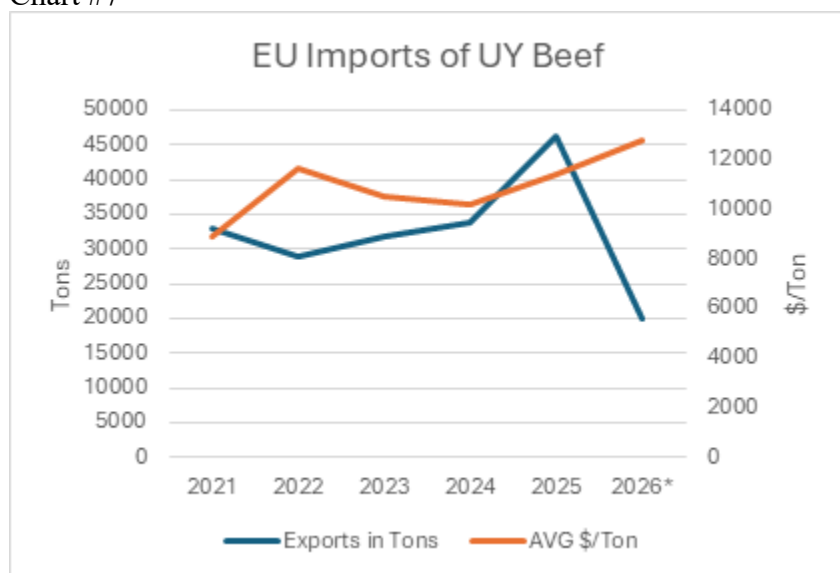
China is expected to remain one of Uruguay's top beef markets in 2027, despite the sharp decline in its share of total exports in recent years. Shipments peaked at 286,000 tons in 2021, accounting for 67 percent of total exports, but fell to 39 percent in 2025. The decline has been driven largely by more attractive prices offered by the United States for similar products, particularly frozen boneless beef blocks for manufacturing beef.

Uruguay also ships smaller volumes of premium frozen cuts to China, including eye of round, topside, striploin, tenderloin, and ribeye. China is also an important destination for bone-in beef, particularly short ribs, chuck, and shin-shank.

Since January 2026, China has imposed beef import quotas on its main suppliers. Uruguay's quota was set at 324,000 tons for 2026 and 330,480 tons for 2027. Local exporters consider these volumes more than sufficient, as Uruguay exported 149,000 tons to China in 2025 and 64,600 tons during the first half of 2026.

Uruguayan exports to the EU are forecast to remain strong, as imports in the EU have increased since 2024 amid declining domestic beef supplies. Uruguayan shipments to the region have benefited from both higher volumes and stronger prices, as shown in the chart below (exports in 2026 are only during January-June).

Chart #7



Source: Post with TDM Data

* January-June

Uruguay participates in the EU's Hilton quota for premium chilled beef, with an annual allocation of 5,606 tons, plus an additional 770 tons dedicated to the UK, for a combined 6,376 tons of product weight. In January 2026, the EU and Mercosur signed the Partnership Agreement and Interim Trade Agreement, with the latter provisionally entering into force in May 2026. For beef, the agreement established a 99,000-ton CWE quota for chilled and frozen beef from Mercosur countries at a reduced tariff of 7.5 percent. Mercosur members will need to determine how this quota is distributed among

them. The new quota is separate from the Hilton quota, which now enters the EU duty-free, compared with the previous 20 percent tariff.

Uruguay has also been an active supplier under the EU's 481 quota for High-Quality Beef (HQB), which enters at zero duty. Exports under this quota have ranged from 7,300 to nearly 10,000 tons annually over the past four years. However, the quota available to "other" suppliers has declined in recent years and will remain at 10,000 tons in 2026/27 and beyond. As a result, Uruguayan shipments under this quota are expected to decline.

Another important access channel is the 53,000-ton GATT quota for high-quality beef, which operates on a first-come, first-served basis. Under the Mercosur-EU agreement, the tariff on this quota was reduced to zero from the previous 20 percent. Uruguay has historically exported between 8,000 and 12,000 tons annually under this quota.

It remains to be seen how Uruguayan beef exports will respond to the potential EU ban on Brazilian beef imports in September 2026 over concerns about improper antimicrobial use. Brazil is a major beef supplier to the EU, and if the ban is implemented, importers are likely to seek additional supplies from other origins, particularly other Mercosur suppliers.

Israel remains an important market for Uruguay, although export volumes have declined somewhat while export values have remained strong, reflecting significantly higher prices. Uruguay's average export price to Israel increased 13 percent during the first half of 2026 compared with the same period in 2025, following a 47 percent increase in 2025 from 2024. Despite these higher prices, exporters report that margins remain tight as competition from Argentina and Paraguay has strengthened.

Uruguay primarily supplies Israel with frozen kosher boneless forequarter cuts, although exports of chilled beef have increased in recent years. Since early 2024, Uruguay has also exported small volumes of bone-in beef to Israel.

Other markets, including Japan, Canada, and Brazil, account for relatively small volumes and have remained quite stable.

Beef imports in 2027 are forecast at 70,000 tons, unchanged from 2026. Lower-priced imported beef helps supply the domestic market at competitive prices, while exporters continue to favor international markets offering higher FOB prices. Imports are handled primarily by local meat distributors and meat-product manufacturers, with only a few meatpackers directly involved.

Brazil is by far the leading supplier, followed by Paraguay and, at a greater distance, Argentina, which generally commands higher average prices. Imports consist mainly of vacuum-packed hindquarter boneless chilled beef, with smaller volumes of boneless frozen beef. The higher-priced cuts are primarily sold through retail channels, while forequarter cuts, mostly frozen, are sold at retail and also used by meat-product manufacturers. Uruguay also imports some bone-in ribs from Argentina.

Live cattle exports in 2027 are forecast at 400,000 head, in line with expected volumes for both 2025 and 2026. Turkey is expected to remain the main destination, primarily importing calves and young bulls for feeding, along with smaller numbers of breeding heifers. Israel has emerged as a new market since

opening to Uruguayan cattle in early 2025, taking significant volumes of calves, young steers, and heifers. Morocco also became an important destination in 2025, importing mainly cattle for slaughter.

Domestic Consumption

Beef consumption in 2027 is forecast at 200,000 tons CWE, marginally above the previous two years as slaughter and beef production are projected to increase, providing somewhat greater supplies for the domestic market. Stable imports of competitively priced beef are also forecast to support domestic consumption. Uruguay's economy is projected to grow moderately in both 2026 and 2027.

Meat distributors have been surprised by the resilience of domestic beef demand despite relatively high prices. They believe consumers are increasingly willing to purchase imported beef and less expensive cuts to contain costs. Poultry and pork remain cheaper than beef, and their consumption continues to increase gradually. Nevertheless, Uruguayans remain strongly attached to beef.

The main beef cuts demanded in the domestic market are ground beef, forequarter cuts for stews, and round cuts used to prepare breaded veal.

Statistical Tables

Market Year Begins	2025		2026		2027	
	Jan 2025		Jan 2026		Jan 2027	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Uruguay						
Total Cattle Beg. Stks (1000 HEAD)	11583	11583	11623	11633	0	11868
Dairy Cows Beg. Stocks (1000 HEAD)	300	300	300	300	0	300
Beef Cows Beg. Stocks (1000 HEAD)	4040	4100	3980	4150	0	4220
Production (Calf Crop) (1000 HEAD)	3050	3040	3000	3030	0	3120
Total Imports (1000 HEAD)	0	0	0	0	0	0
Total Supply (1000 HEAD)	14633	14623	14623	14663	0	14988
Total Exports (1000 HEAD)	371	371	200	400	0	400
Cow Slaughter (1000 HEAD)	1193	1193	1195	1050	0	1100
Calf Slaughter (1000 HEAD)	7	7	5	7	0	6
Other Slaughter (1000 HEAD)	1201	1201	1150	1118	0	1244
Total Slaughter (1000 HEAD)	2401	2401	2350	2175	0	2350
Loss and Residual (1000 HEAD)	238	218	250	220	0	220
Ending Inventories (1000 HEAD)	11623	11633	11823	11868	0	12018
Total Distribution (1000 HEAD)	14633	14623	14623	14663	0	14988
(1000 HEAD)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

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Attachments:

No Attachments