US Red Meat Market Update

July 2025

Global Market Insights

MEAT & LIVESTOCK AUSTRALIA

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Key Points

Export growth continues	Macro: Slower Growth, Value-Focused Consumers	Retail: Premiumising at home	Foodservice: Recovery led by quality and experiences
• **Beef** exports to the US **up 31% YOY** in YTD June 2025; growth across both grass and grainfed, including premium cuts • **Lamb** exports **up 5%** with decline in frozen leg offset by growth in frozen shank, rack and carcase while leg drives chilled growth • While Australian has overtaken Canada, **Brazil** leads in US beef import volumes and is a **rising lower cost beef competitor**	• US economy **growing modestly** (+1.6% GDP), with inflation easing to 2.4% and stable unemployment (4.1%). • US **consumer sentiment cautious** but still **open to premium experiences** when value is clear.	• Inflation and cost of living are driving **more at home meals** • Consumer seek **balance** of **value** and **indulgence** – **premium segments** (e.g. Wagyu, Kobe, beef steaks, lamb roasts) are **growing** • Shoppers willing to **splurge** on **quality** and convenience for holidays and **special occasions**	• Traffic is soft but premium dining and fast casual are **recovering** • Consumers find 'value' in **quality** and **experience** • Demand for **consistent** supply, **premium** cuts and **global flavours**

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TRADE

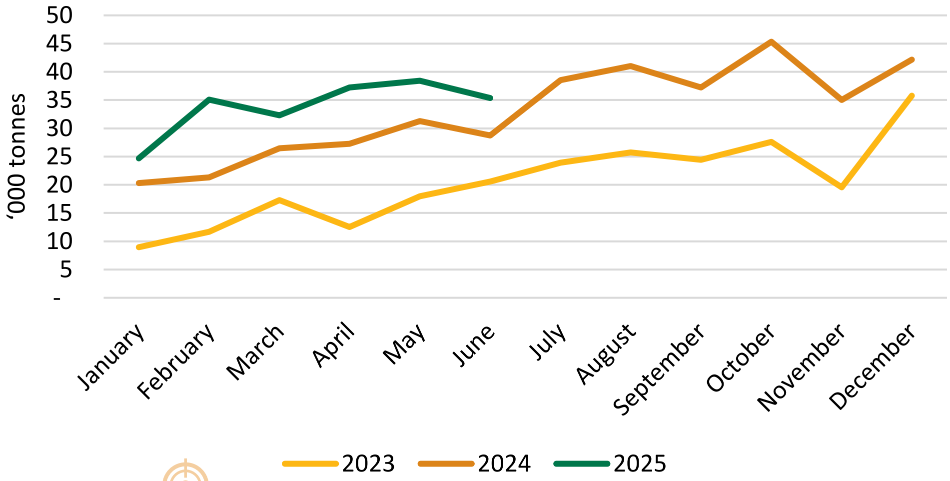
Tight US beef supply continues to drive strong demand for Australian exports

YTD June 2025

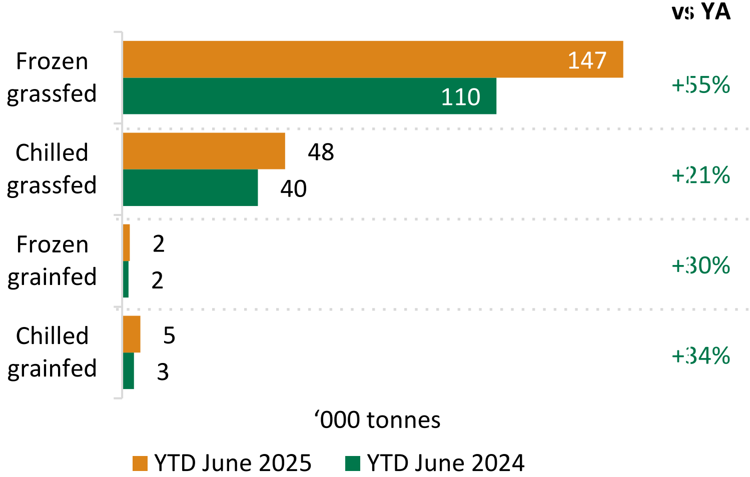
+31%

Australian beef exports to the US are up 31% year-on-year for year-to-date June 2025, continuing strong growth from 2024 — despite an 8% dip from May to June.

Australian Beef Exports to the US



Australian Export to the US by Type



For the most up to date export stats, head to ***Global Trade Watch*** section on **Aussie Meat Trade Hub**

Source: DAFF, data to June 2025

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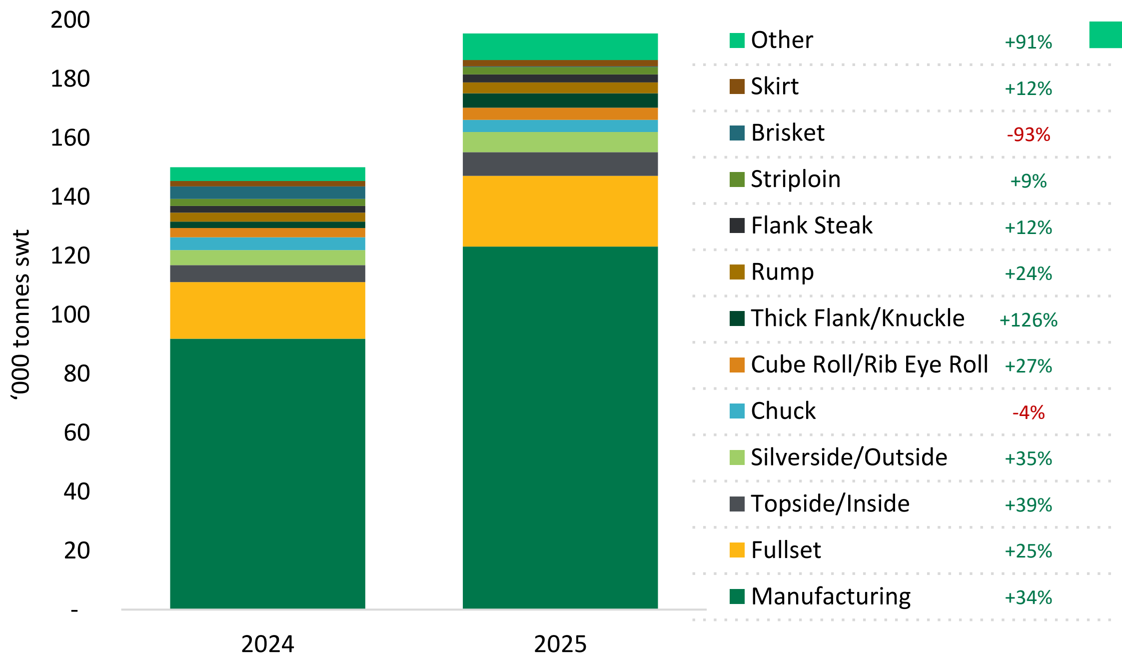
Manufacturing still dominates Australian *grassfed* exports to the US, but premium cuts are growing

Grassfed Beef & Veal Cuts Exports to US vs YTD June 2025



Top Growing Cuts in Other – YTD June 2025

Cut	tonnes	% change
Carcase	1,782	+7353%
Knuckle	644	+193%
Ribs	7	+140%
Chuck Roll	1,609	+111%
Short Ribs	15	+82%
Shin/Shank	1,299	+61%
Tenderloin	2,073	+47%
Ribs Prepared	111	+39%
Blade	1,405	+17%

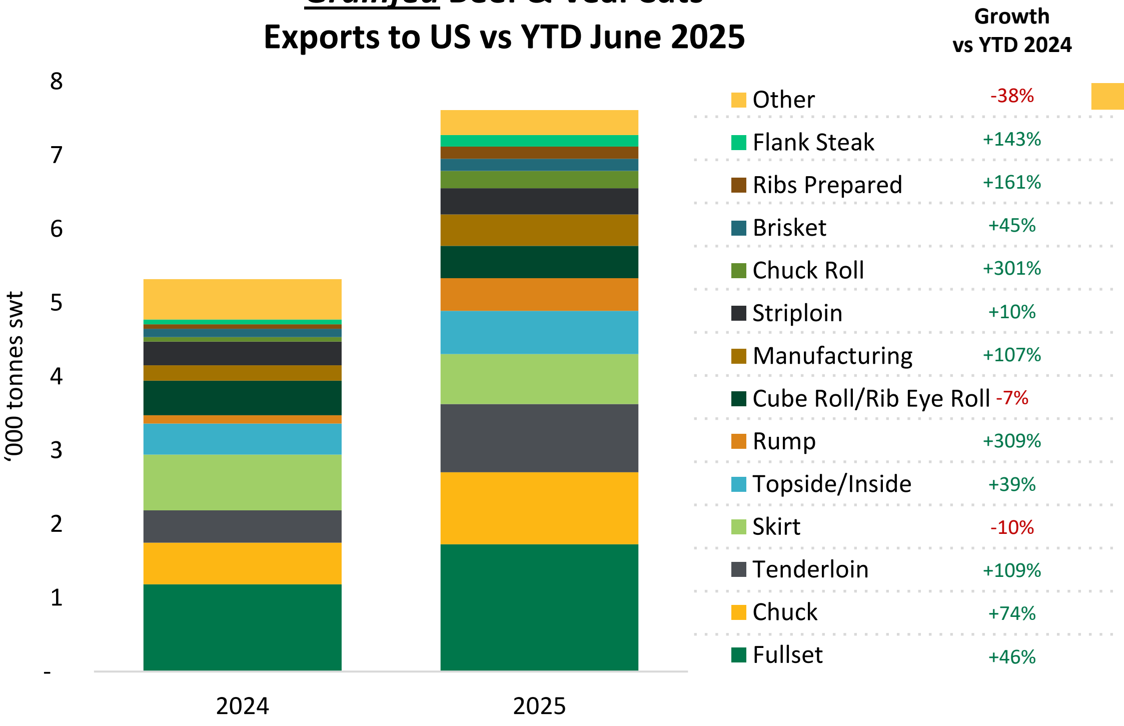
See the most up to date export stats, on ***Global Trade Watch*** on **Aussie Meat Trade Hub**

Source: DAFF

TRADE

Australian *grainfed* exports have become more diverse, with increasing share of premium cuts exported to the US

Grainfed Beef & Veal Cuts Exports to US vs YTD June 2025



Top Growing Cuts in Other – YTD June 2025

Cut	tonnes	% change
Knuckle	111	+77842%
Thin Flank	16	+35287%
Intercostals	1	+576%
Short Ribs	3	+83%

See the most up to date export stats, on *Global Trade Watch* on **Aussie Meat Trade Hub**

Source: DAFF

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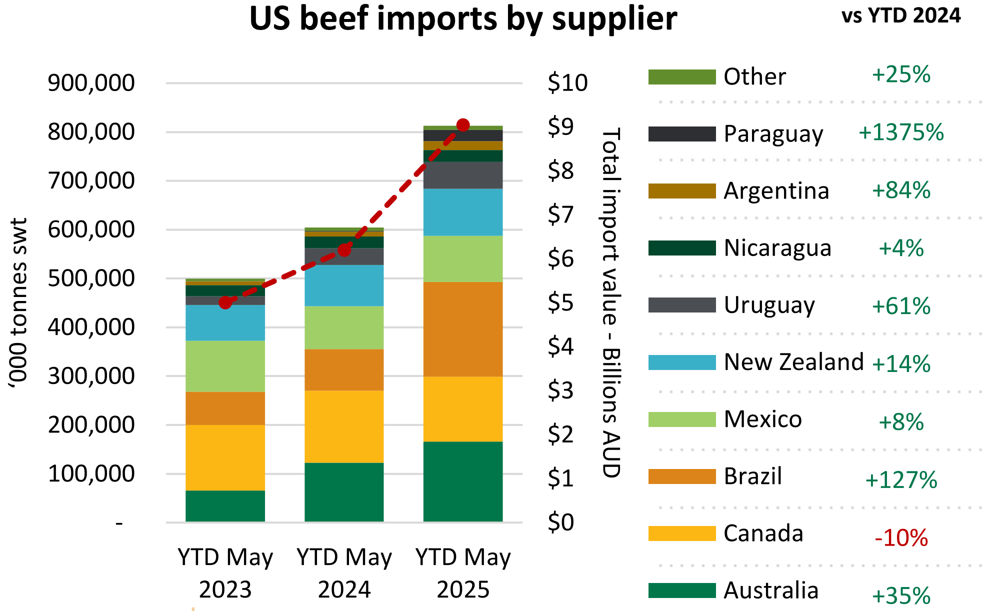
While Australia has overtaken Canada in US beef import volumes year to date, Brazil is leading in volume

US beef imports by supplier

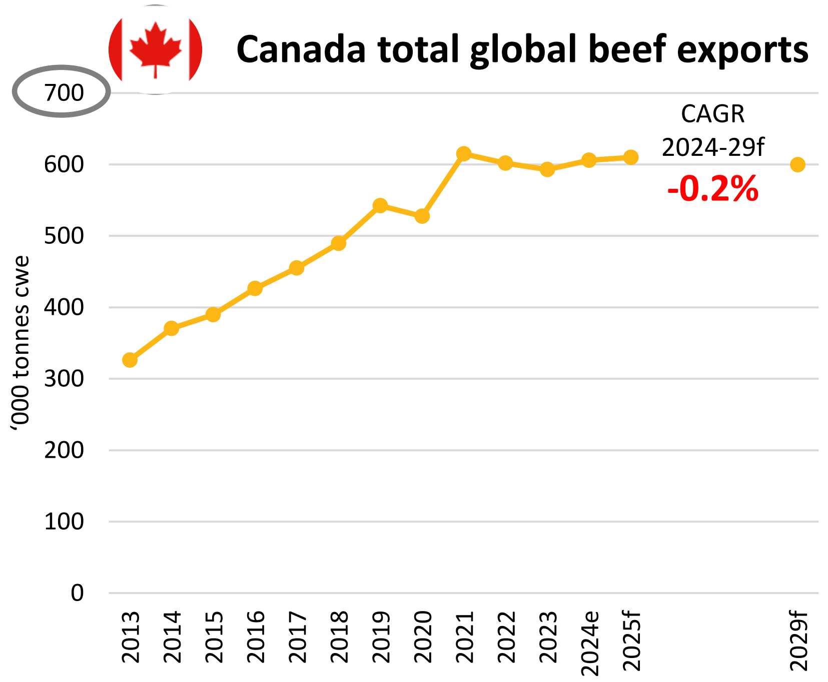


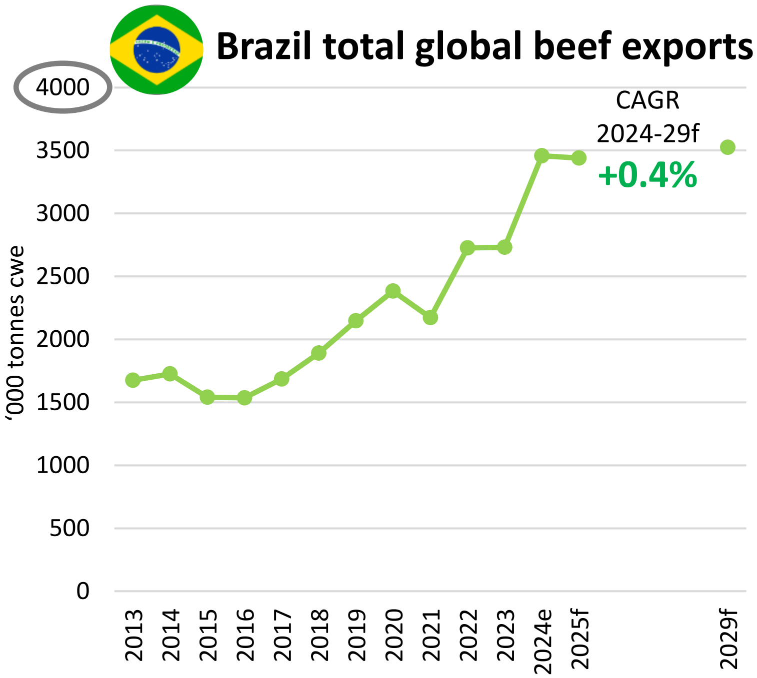
- **Canada** has **traditionally been a major beef supplier** to the US has seen and a 10% decline in exports 10% in 2025, with *trade tensions* could potentially shifting market dynamics
- **Brazil** is emerging as a **strong competitor for lower-cost processing beef**, with exports up 127%, driven by quick use of its shared low tariff quota, which they filled by January 2025
- **New Zealand** has growth of 10%, but **tight supply forecasts may limit export** potential
- Uruguay, Argentina and Paraguay, though small volumes, have experienced notable growth in exports to the US

For the most up to date import stats, head to *Global Trade Watch* section on **Aussie Meat Trade Hub**

Source: *Trade Data Monitor (TDM)*

US-Canada trade tensions could present further opportunities for Australia but Brazil remains a strong competitor





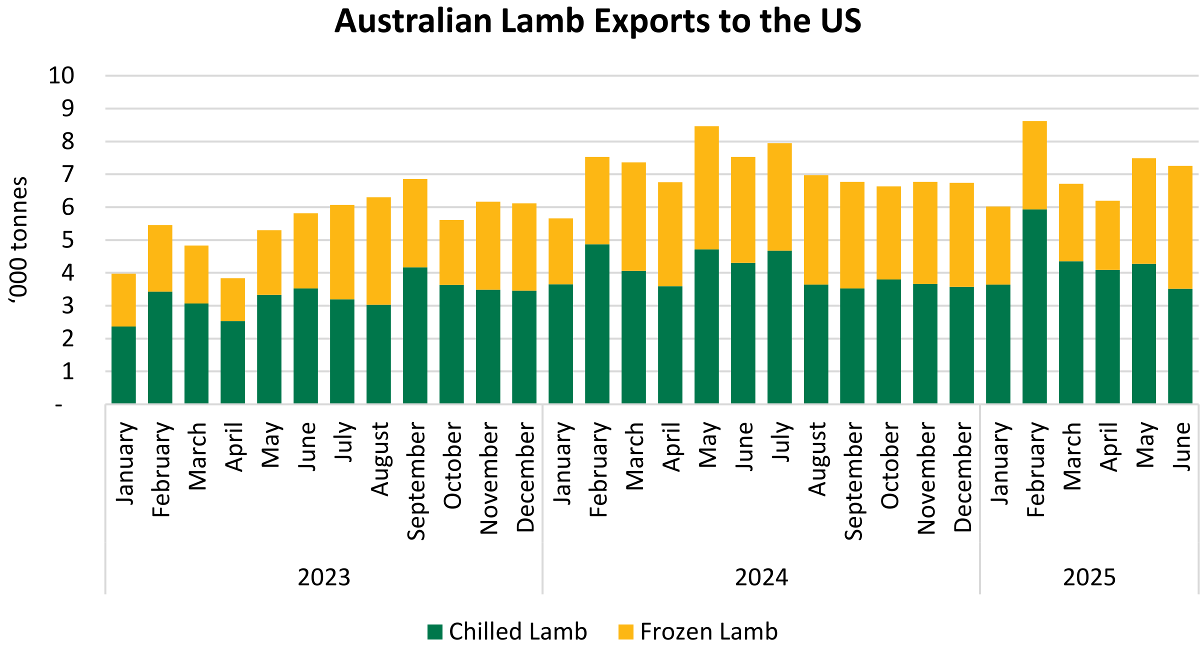
*Source: GIRA GMC2024, Includes beef and veal, Note different scales, CAGR = compound annual growth rate. * as at time of writing 09/04/2025*

Australian lamb exports to US grows 5% for year to date June 2025, despite dip of 5% compared to previous month

YTD June 2025

+5%

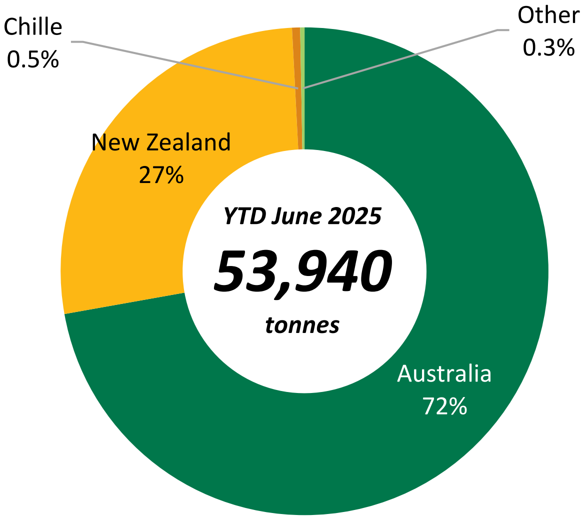
Although Australian lamb exports to the US fell 5% from May to June 2025, year to date figures are still up 5% - with **chilled lamb growing 5%** and **frozen up 3%** compared to last year.

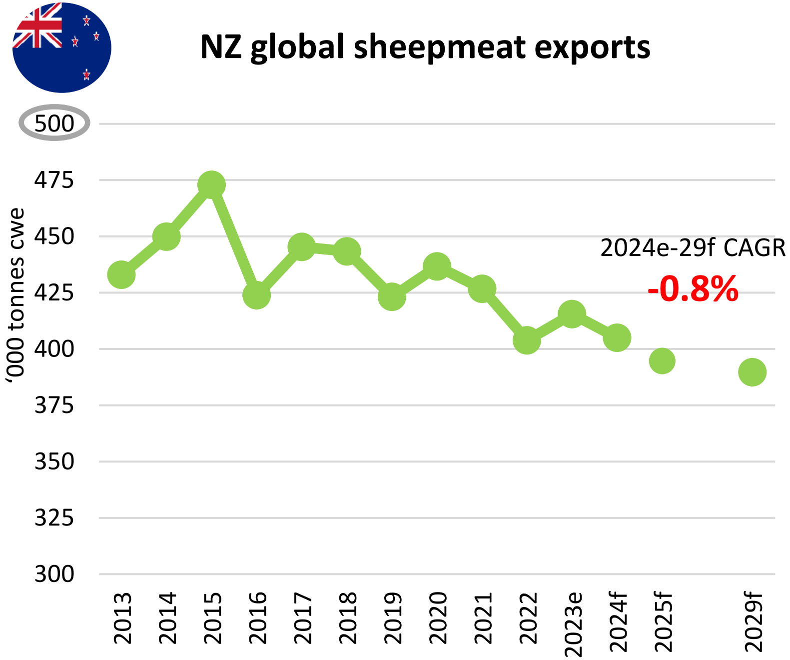


For the most up to date export stats, head to *Global Trade Watch* section on **Aussie Meat Trade Hub**

Source: DAFF, data to June 2025

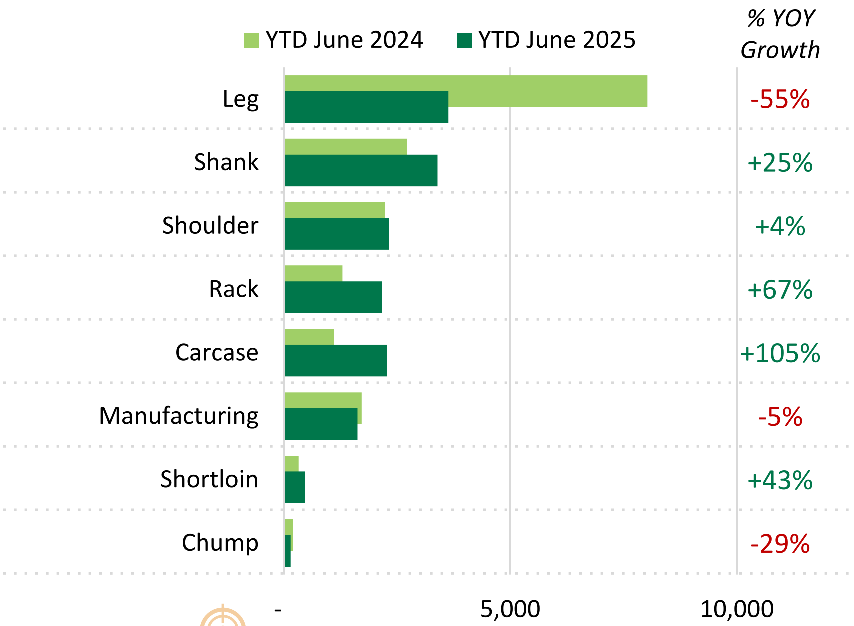
Australian remains leading lamb supplier to US with New Zealand's forecasted export decline, reducing competitive pressure

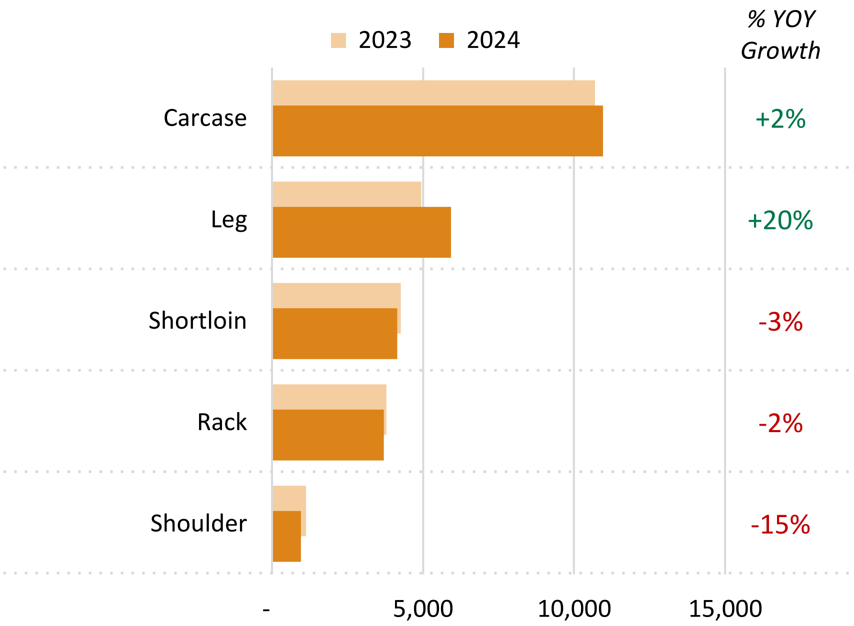




Source: GIRA GMC2024, Includes sheepmeat and goat meat, Note different scale here, CAGR = compound annual growth rate.

Strong growth in shank, rack and carcase offset the decline in frozen lamb leg, while chilled lamb growth driven by leg

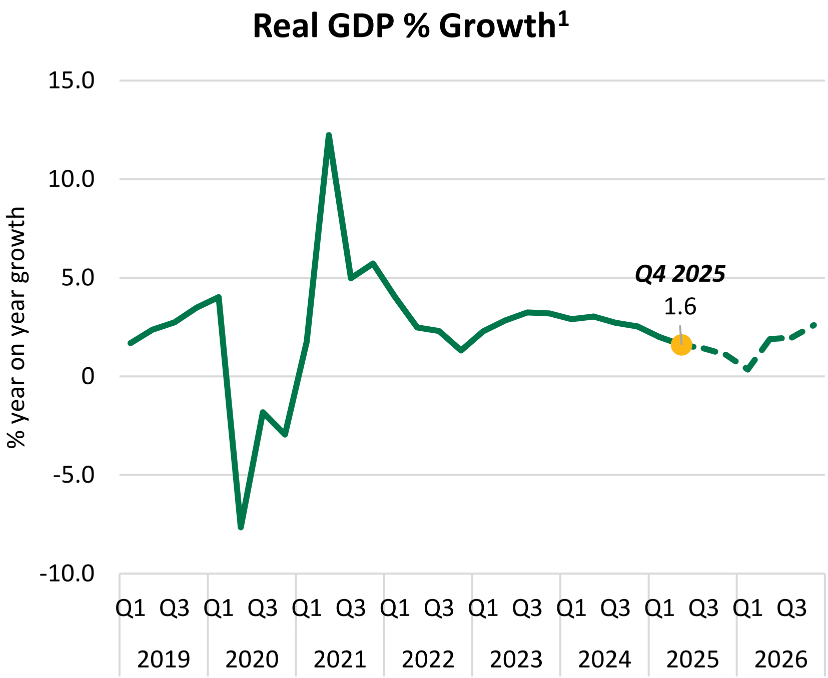




For the most up to date export stats, head to ***Global Trade Watch*** section on **Aussie Meat Trade Hub**

Source: Trade Data Monitor (TDM) (Value)

US economy is growing but slowly



1.6%
Q2 2025

GDP GROWTH
GDP rose 1.6% in Q4 2025 (from 2.8% in 2024) and expected to be flat at 1.1% by Q4 2025[1]

2.4%
MAY 2025

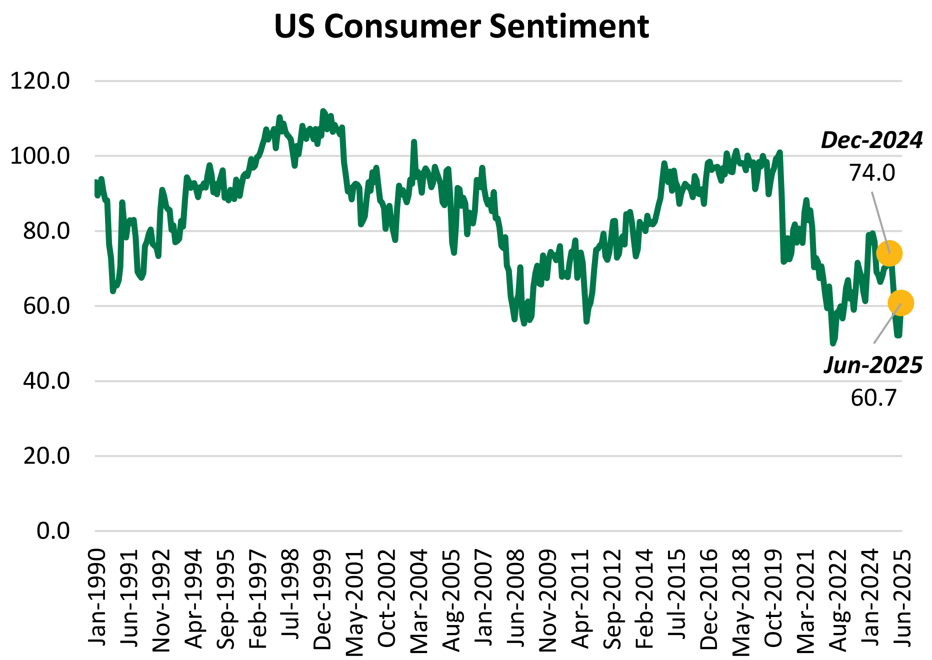
INFLATION
US inflation is easing but remains above target (2%) at 2.4% in May 2025[2]

4.1%
JUNE 2025

UNEMPLOYMENT + FEDERAL OUTLOOK
Unemployment remains stable at 4.1%[2], while rate cuts are expected in late 2025[3]

Sources: [1]Fitch Solutions Real GDP % growth YOY, [2]US Bureau of Labor Statistics (accessed 8th of June 2025), [3]S&P Global Ratings

While consumer sentiment lifted for the first time in six months, it remains well below December 2024



Expectations for personal finances and business conditions ***improved*** but sentiment remains well **below December 2024**

Consumers still concerned about **impacts of tariffs** on economy and prices

Consumers views consistent were with **economic slowdown** and **ongoing inflationary pressures**

Sources: University of Michigan Survey of Consumers June 2025

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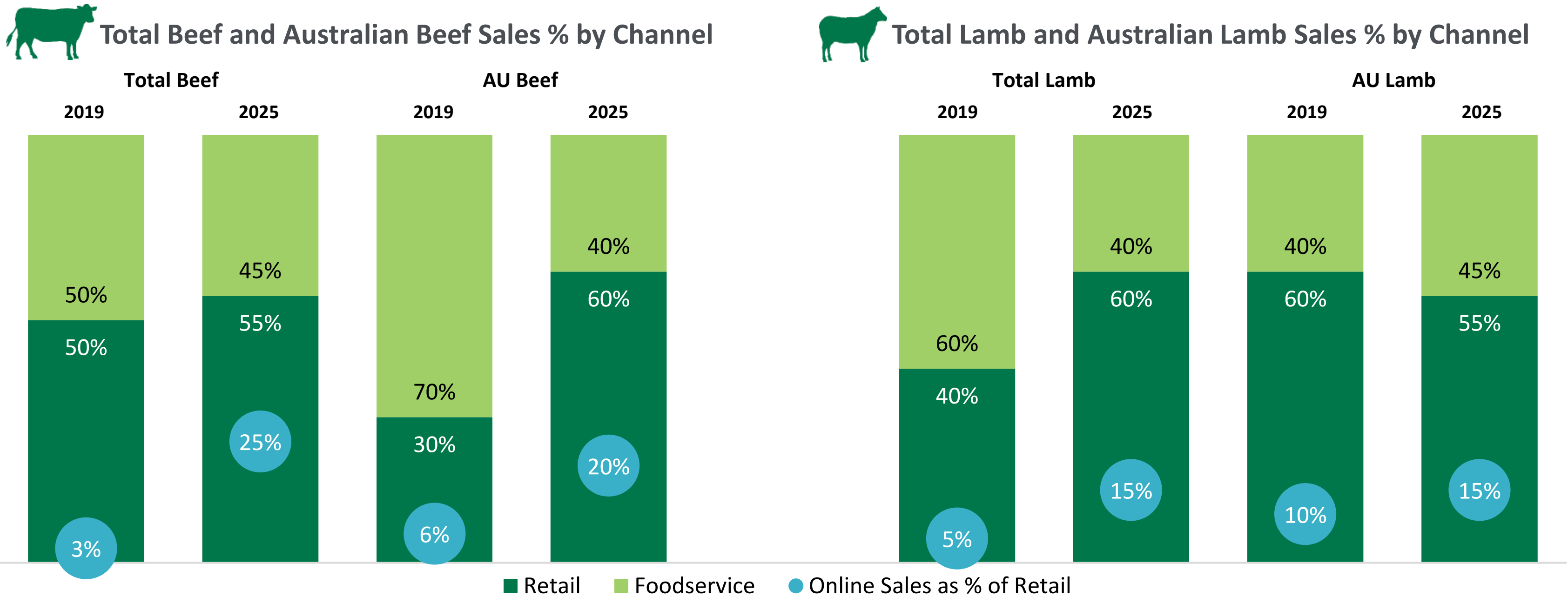
Post COVID cost pressures has meant consumers eating more at home with Australian red meat volume shifted to retail to cover tight US supply



Source: MLA Estimates 2025

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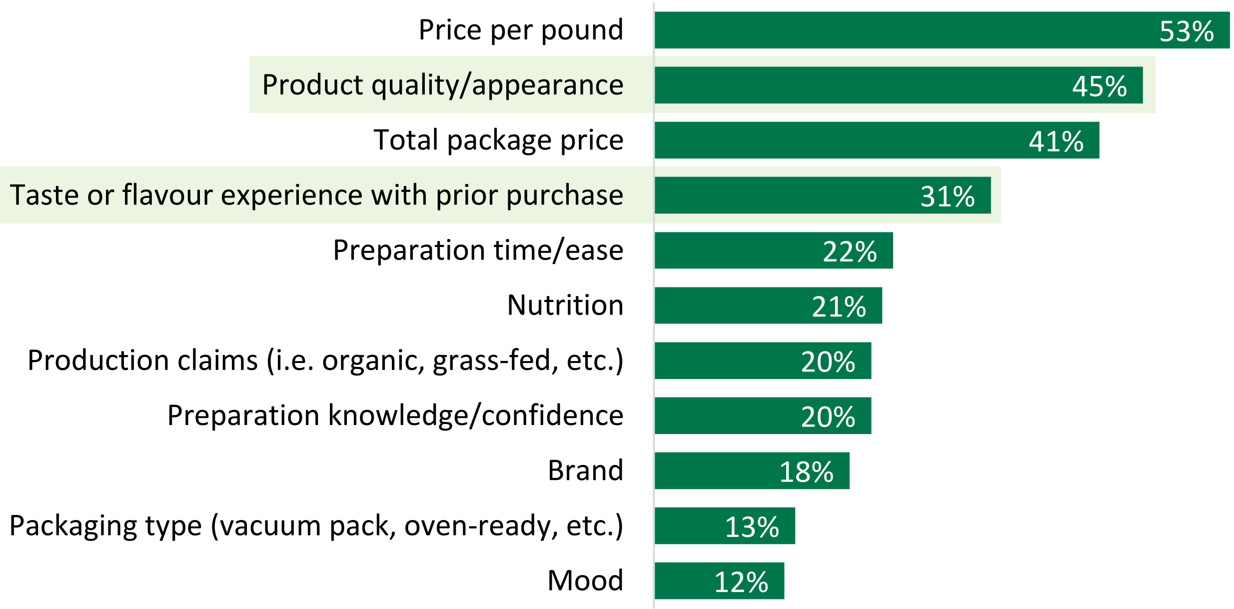
RETAIL

While functional factors like price dominates the top purchase drivers, emotional (e.g. taste, quality) still play a huge role

Most important factors when purchasing meat/poultry



92%

agree that something can be a ***great price*** but if it didn't ***taste good*** they won't buy it again^

Source: Power of Meat ^2024 and 2025 – 'Select your top 3 most important factors when purchasing refrigerated meat/poultry', Flaticon

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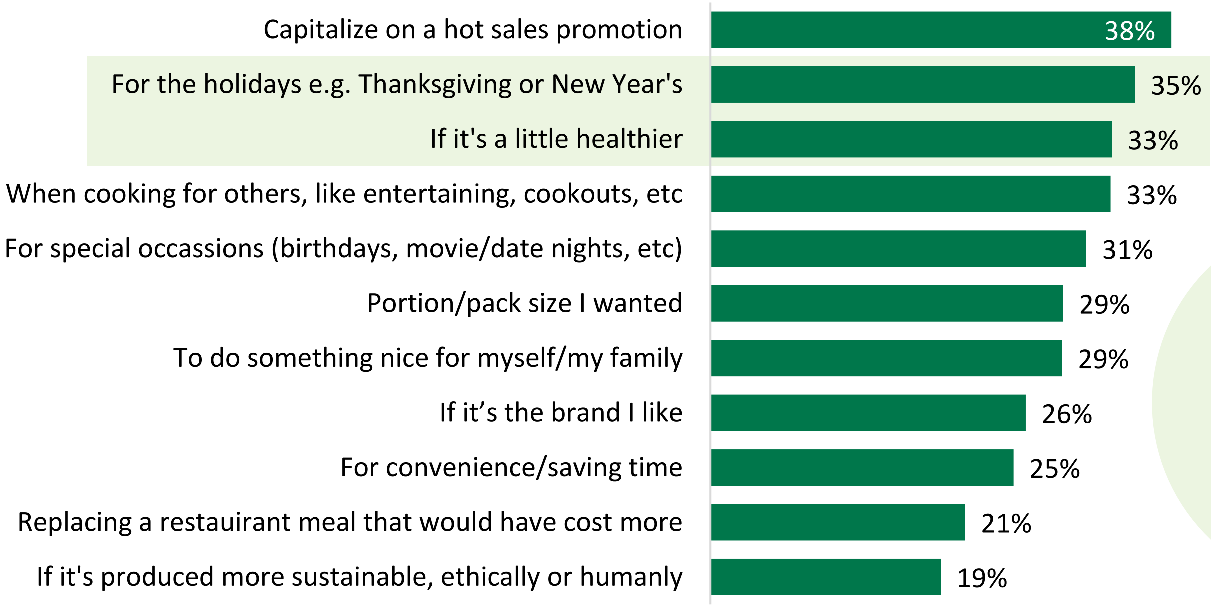
Consumers have plenty of reasons to splurge a little across a range of occasions – particularly on holidays and health

Reasons to *<u>spend a little more</u>* on meat/poultry than you normally would



94%

of consumers can be persuaded to splurge on meat when the time is right

Source: Power of Meat 2024 - ‘Reasons to spend a little more on meat/poultry’. Tick all that apply.

RETAIL

Growth in value and premium cuts reflect shifting consumer behaviour seeking a balance of both for in home occasions

13 week Cuts performance for Beef, Ranked by Dollar Share^

	Dollars $			Volume lbs			Avg Price ($/lb)		
Cuts	Latest	Year Ago	% Chg vs YA	Latest	Year Ago	% Chg vs YA	Latest	Year Ago	% Chg vs YA
Total Beef	**$9,479,588,587**	**$8,450,484,892**	**12%**	**1,392,354,593**	**1,335,185,388**	**4%**	**$6.81**	**$6.33**	**7.6%**
Ground Beef	$3,864,849,134	$3,412,178,075	13%	697,896,596	674,270,951	4%	$5.54	$5.06	9.4%
Beef Loin	$1,204,462,175	$1,049,868,822	15%	90,484,562	84,321,417	7%	$13.31	$12.45	6.9%
Beef Ribeye	$1,034,089,713	$927,642,869	11%	77,613,438	75,305,480	3%	$13.32	$12.32	8.2%
Beef Chuck	$792,031,470	$708,983,214	12%	127,199,734	116,688,785	9%	$6.23	$6.08	2.5%
Beef Round	$614,904,988	$561,284,275	10%	90,926,741	92,353,755	-2%	$6.76	$6.08	11.3%
Beef Sirloin	$589,378,394	$505,240,687	17%	68,934,237	62,418,129	10%	$8.55	$8.09	5.6%
Beef Ingredient Cuts	$587,186,367	$536,923,229	9%	88,935,084	81,663,797	9%	$6.60	$6.57	0.4%
Beef Brisket	$328,375,936	$322,653,496	2%	74,860,720	77,348,383	-3%	$4.39	$4.17	5.2%
Beef Ribs	$177,890,312	$165,722,355	7%	25,039,192	24,848,378	1%	$7.10	$6.67	6.5%
Beef Offal	$98,617,732	$96,051,272	3%	28,231,828	26,293,432	7%	$3.49	$3.65	-4.4%
Beef Plate	$87,918,742	$76,151,003	15%	10,320,965	9,250,700	12%	$8.52	$8.23	3.5%
Beef Flank	$62,514,027	$58,751,335	6%	5,319,010	5,171,319	3%	$11.75	$11.36	3.4%
Other Beef Cuts	$21,000,281	$14,613,453	44%	3,257,487	2,322,937	40%	$6.45	$6.29	2.5%
Beef Shank	$16,369,316	$14,420,807	14%	3,334,999	2,927,925	14%	$4.91	$4.93	-0.3%

PREMIUMIZATION:

- **Wagyu +17.9%**
- **Kobe-style +61.8%**
- **Akaushi +57.1%**

Steaks/Roasts:

- **Beef steak +5.1%**
- **Lamb roast +16.6%**

Source: Circana, Integrated Fresh, Total US, MULO+ data for ^13 weeks to 05 April 2025 and 52 weeks to 29th of December 2024

The meal landscape remains home centric with opportunities in offering premium restaurant quality at retail

87%

of consumers interested in recipes and tips about ***indulgent***, involved cuts to confidently make ***premium***, **restaurant quality meals**

"Between cost and the lack of a good experience at most restaurants these days, I'd rather buy a good steak at the store and make it myself."

Chef Created Inspirations: Experience restaurant creations at home

27% are willing to **spend a bit more** on meat/ poultry when **replacing a restaurant meal**

Bring the steakhouse to you: For special occasions and the many primary and secondary holidays

86%

of eating occasions are sourced from home^

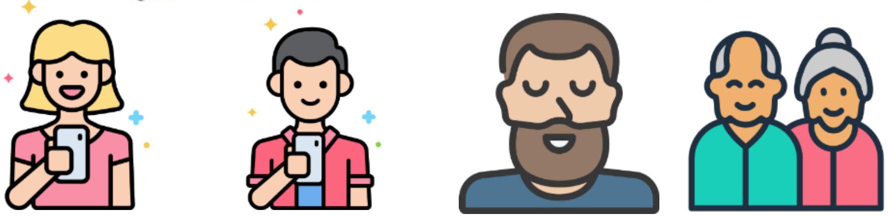
Source: Power of Meat 2025, ^Circana Eating Patterns in America Report 2024

As economy recovers, spending may return to foodservice, but current restaurant meals are more planned and experience-driven

If money were no issue at all…

72%

Would purchase from restaurants more often



Gen Z <27 yrs	Millennials 28-43	Gen X 44-59	Boomers 60-78
74%	76%	71%	65%

Experience over price^

- 64% of fullservice customers and
- 47% of limited-service customers

say their dining experience is more important than the price of the meal

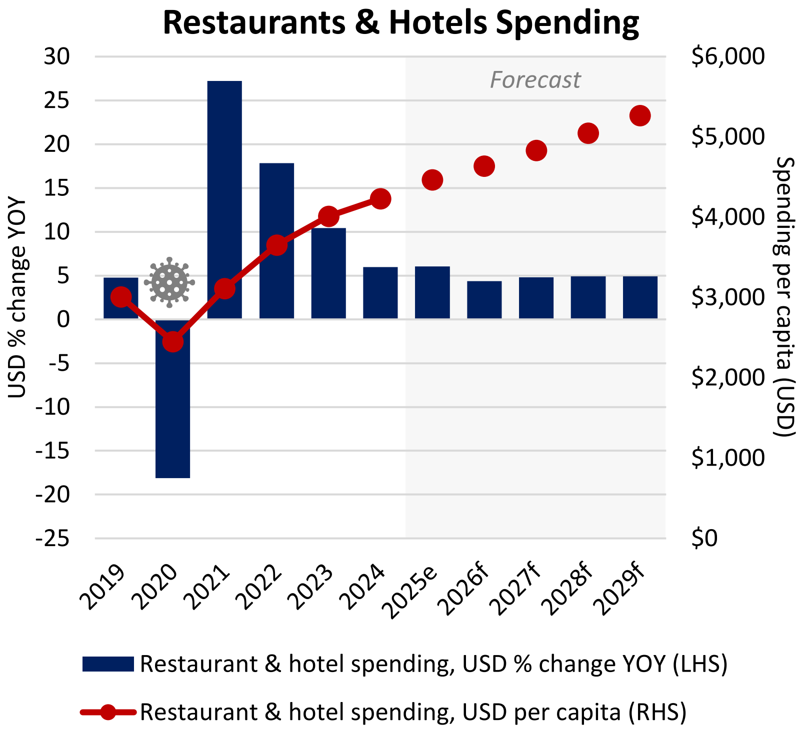
Value remains top of mind^

- Value is more than price
- Quality, convenience, speed, loyalty programs or upgraded technology is considered part of the value proposition

Source: Power of Meat 2025, ^National Restaurant Association 2025 State of the Industry

FOODSERVICE

Despite a 2025 tourism dip and delayed recovery to pre-pandemic levels, US restaurant and hotel spending remains stable meaning ongoing opportunities



Source: Fitch Solutions, data accessed June 2025, [1] GlobalData, Steakhouses = steakhouses and grills, operator sales price values, [2] Michelin Guide 2025

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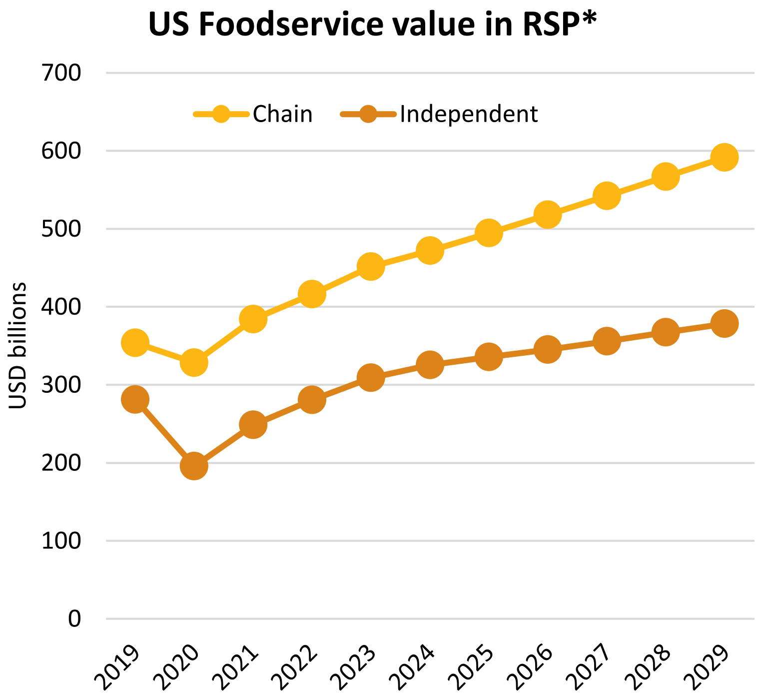
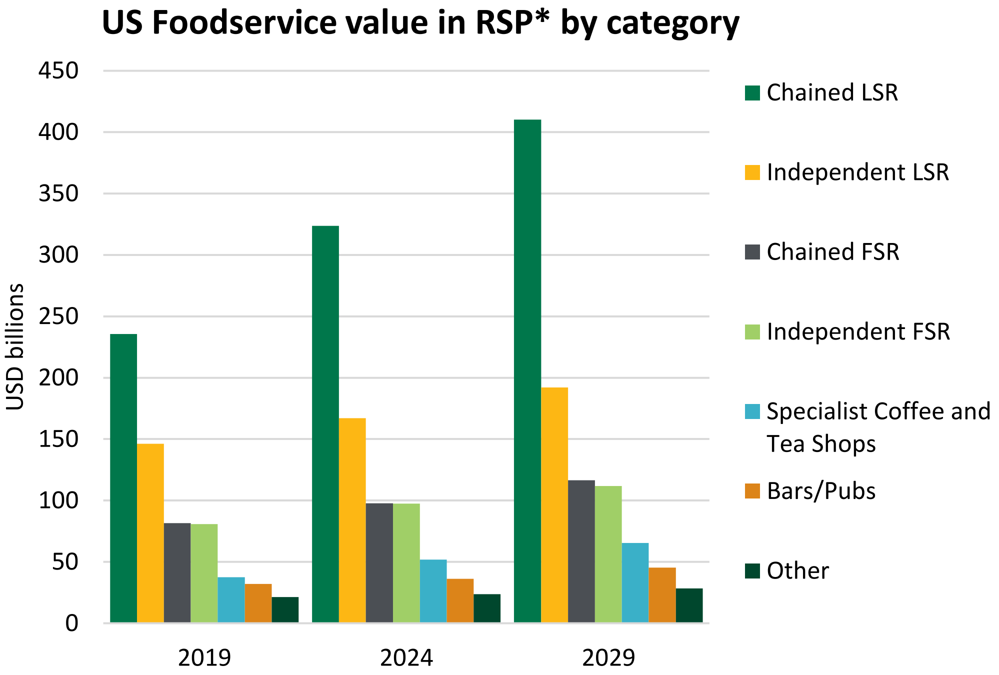
FOODSERVICE

US foodservice value is forecast to continue its growth trajectory lead by chain stores, chained LSRs largely leading the increase in sales value





*Source: Euromonitor International, includes forecast. *RSP = Retail Selling Price. FSR = Full-Service Restaurant. LSR = Limited-Service Restaurant (fast food + 100% home delivery/takeaway outlets). Cafes/Bars, Bars/Pubs and other include both Chained and Independent*

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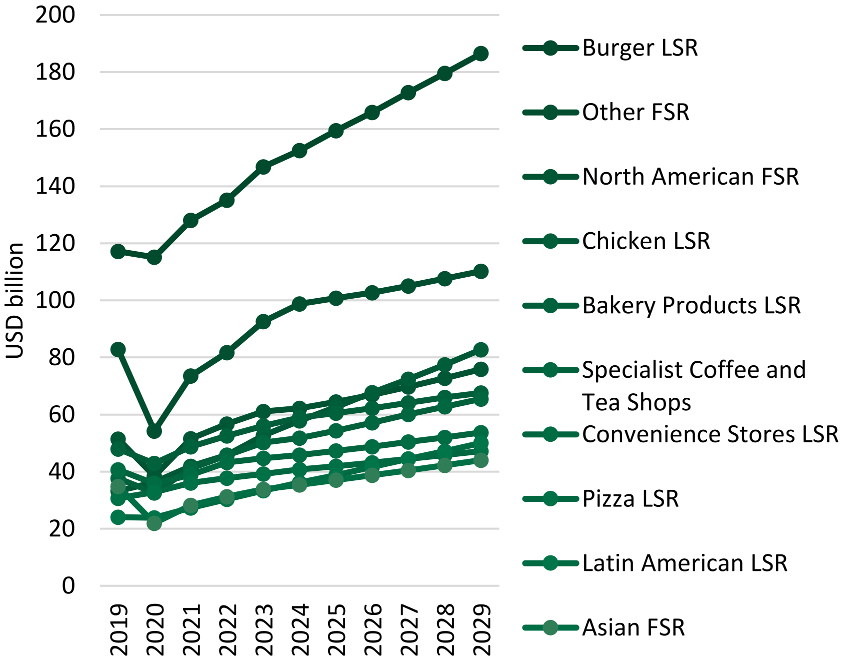
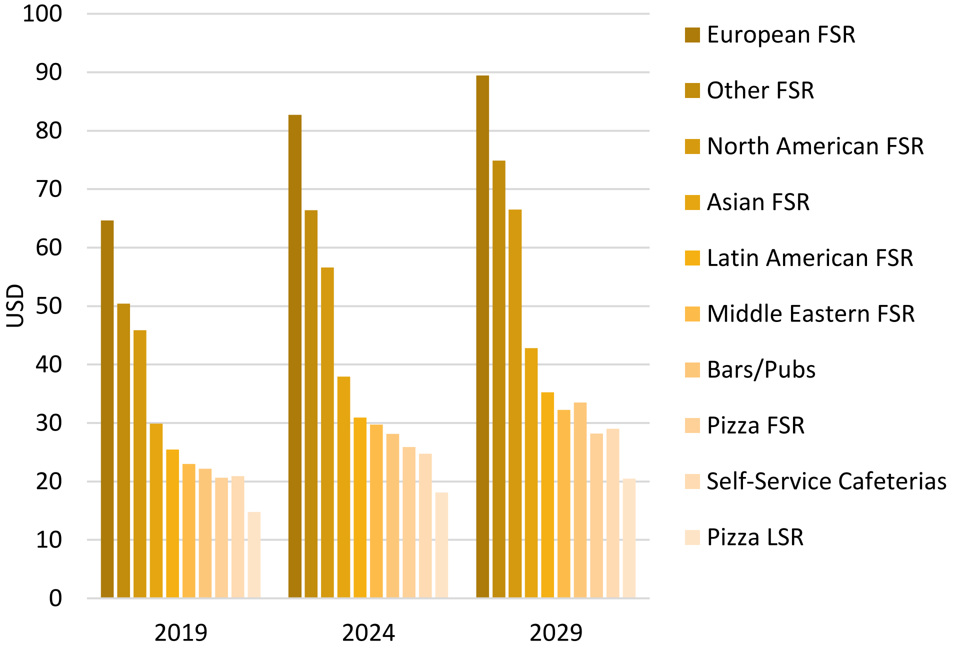
Burger LSRs lead in value, through high transactions and outlet count, while European FSR and North American FSR lead in average transaction value

Value (RSP) by cuisine type – Top 10



Average Transaction Value – Top 10



Source: Euromonitor International, includes forecast. RSP = Retail Selling Price. FSR = Full-Service Restaurant. LSR = Limited-Service Restaurant (fast food + 100% home delivery/takeaway outlets). North American FSR includes steakhouses, BBQ, burgers (in FSR setting), etc

US foodservice seeing a mixed recovery

Restaurant traffic down 7% YOY in Q1 2025 for eight consecutive quarters
Despite average price increasing 2%, spending fell 5% as consumer seek value amid rising prices
Healthier and global cuisines are growing while traditional fast food categories (e.g. burgers, chicken) decline

Segment	Quick Service Restaurants	Fast Casual Dining	Fine Dining
What's happening?	• **Slight decline** in overall visits in early 2025 • **Value** and **convenience** attract price-sensitive consumers • Facing **pressure** from fast casual and coffee chains • Introducing **premium** or **limited** time menu items to **'upscale' offerings** • **Weekday** visits **dominate**, highlighting **appeal** among **working consumers**	• Casual dining recovery remains **slow but stable** in early of 2025 • **Some segments outperforming** e.g. CAVA with a focus on quality and health • May 2025 traffic increase suggests **potential growth ahead** • While higher priced than QSRs, often have more **focus on quality** and **experience**	• Fine dining has shown **strong recovery**, particularly among high income consumers • **Experience-driven** spending remains **strong** despite cost pressures • **Affluent consumers** are more likely to continue to indulge in premium dining experiences
Opportunities	• Limited time, premium/upscaled offerings • Collaborative product development, processed, prepared products • High volume, consistent supply and quality	• Australia is well positioned as a premium offering for this mid-tier segment • Quality and sustainability credentials – enhancing the fast casual experience	• Focus on premium cuts and quality • Leverage 'experience' factor • Value-add e.g. specialty aged meat cuts, pre-prepared

Find out more in our 'US Beef Foodservice Snapshot' tagged under 'USA' at *Global Insights* on **Aussie Meat Trade Hub**

Source: Rabobank, Roger Montgomery, Nation's Restaurant News

MLA has identified growth drivers for different Australian red meat in the US market which can help us focus on different opportunities…

	Make my life easier	Eat Better, Feel Better	Tell Me You Care	Ideal Indulgence	Make it a moment	Variety – The Spice of Life
Addressing consumer need of…	Convenience is an underlying enabler of other trends i.e. 'plus convenience' not 'or convenience'	Health is a purchase driver for meat and something consumers are prioritising	Lessen my impact on the world and feel food about the decisions that I make	Consumers seeking premium experiences at home and recovery of fine dining	Consumers will spend a bit more on holidays and special occasions	Variety and endless possibilities to explore cuisines to add to my repertoire
Elements to highlight to meet consumer needs	• Innovation • Time saving • Cooking confidence • Meal ideas	• Naturally good • Free from • Nutrition information highlighted on pack	• Transparency • Guilt-free • Food safety and assurance	• Affordable indulgence • Treat for me • Luxury, premium experience	• Quality time over meals • Special time with friends and family • Elevated everyday meals	• New and different usage of red meat • Exciting flavours and cuisines
Potential product solutions	Meal solutions to suit a range of budgets and households, more information on pack	Grassfed beef, organic, free from antibiotics, free from hormones, no additives, lean red meat, blended meats	Grassfed beef, antibiotic-free, hormone free, free range, organic, lamb	Wagyu, Lamb Prime Cuts, Premium positioning across all retail segments	Lamb sharing plates or cut, experience centred offerings, technology integration, wagyu, Longfed/grain fed	Lamb, grassfed beef with new/different flavours, Wagyu, secondary cuts, goat

To find out more about growth drivers, head to *Growth Drivers* section on **Aussie Meat Trade Hub**

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THANK YOU

For further information or more US market insights:

Amy Chow *achow@mla.com.au* *+61 2 9463 9129*

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