

## Beef and Sheep Network

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The *agri benchmark*  
Global Producer Price Indices  
for Beef Cattle and Sheep

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## 1 Introduction

The *agri benchmark* Beef and Sheep Network compiles a set of annual (calendar year) Global Producer Price Indices for finished cattle, weaner cattle, lambs, and sheep meat. These indices are Laspeyres, production-weighted indices<sup>1</sup> that measure changes in global farm-gate prices as reported annually by the *agri benchmark* Beef and Sheep Network. The dataset currently includes 34 countries for cattle and 16 countries for sheep. The indices are based on nominal prices (not inflation-adjusted) and use average prices from the 2014–2016 period as the base.

The global, regional, and country-specific indices serve as analytical tools to monitor and interpret developments in beef cattle, lamb, and sheep prices over time. They capture a) the structure of beef and sheep prices in producing countries that are not among the major exporters, and b) country-specific factors influencing prices, such as policy interventions and changes in supply and demand in major producing and consuming nations.

To provide a more nuanced understanding of global producer price dynamics during the observed period, regional and country sub-indices were also calculated for regions contributing significantly to the average global production over 2014–2016. Four sub-indices were developed for finished cattle (North America, South America, the EU, and China); three for weaner cattle (North America, South America, and the EU); three for lambs (Oceania, the EU, and the UK); and four for sheep meat (China, Oceania, the EU, and the UK)

## 2 The *agri benchmark* Global Producer Price Indices

### 2.1 The Finished Cattle Price Index

The *agri benchmark* Finished Cattle Price Index comprises weighted finished cattle prices from 33 countries, encompassing all major beef-producing nations except India. Collectively, these countries account for approximately 76 percent of global beef production.

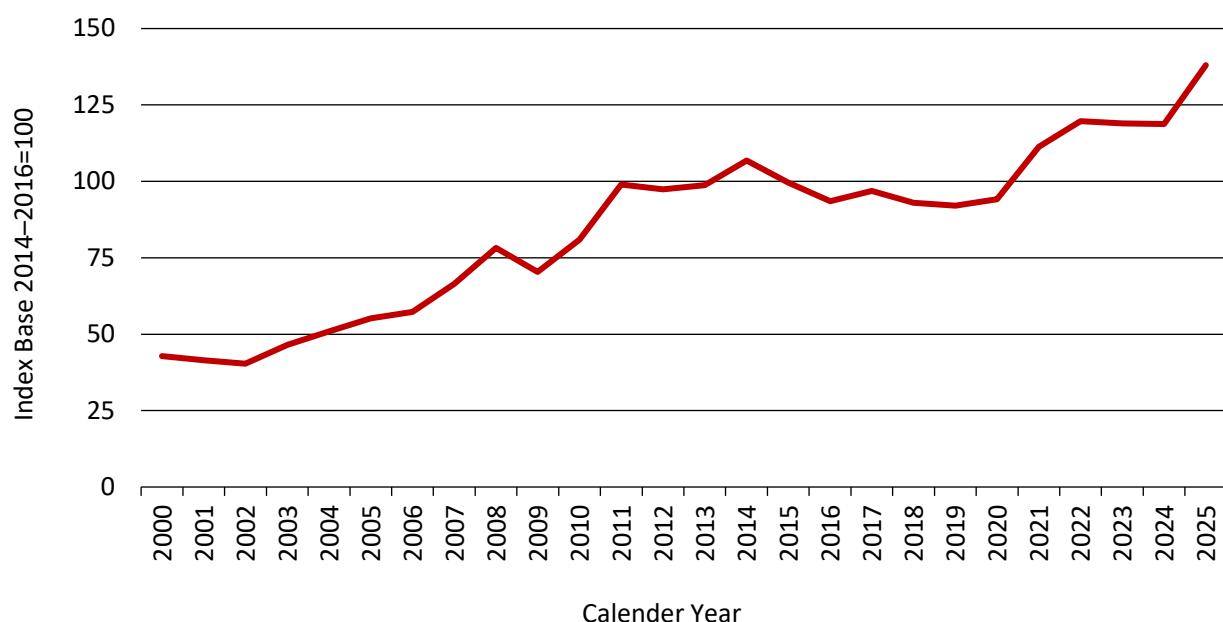
As shown in Figure 1, the *agri benchmark* Finished Cattle Price Index exhibited a pronounced upward trajectory in nearly every year between 2003 and 2014, peaking at a level approximately 150 percent above the starting period of 2000–2002. This was driven mainly by price rises in China and Brazil commencing in 2007, and the US from 2010. Behind this was the influence of beef demand growth from expanding populations and incomes, especially in the US and developing Asian countries, plus a lowering of import barriers in North Asia and China. Also contributing was slowing supply growth over that period, mainly due to land, feed, water and environmental constraints.

Following the 2014 peak, the index declined over the subsequent two years, reflecting increased cattle production in North and South America and a temporary price correction in China. Between 2011 and 2020, the index stabilized within a relatively narrow range, oscillating between 90 and 100 index points (except for 2014, which reached 107 points). Subsequently, the index rose sharply to record levels in 2022, attaining 120 index points, and maintained this level through 2023 and 2024 before reaching a new all-time high of 138 index point in 2025.

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<sup>1</sup> For detailed information of how the Laspeyres approach has been used to calculate the indices, please see Almadani, et al. 2021 at: ["Introducing the World's First Global Producer Price Indices for Beef Cattle and Sheep"](#)

**Figure 1:** The *agri benchmark* Finished Cattle Producer Price Index



Source: *agri benchmark* database, own calculations.

To gain deeper insight into the substantial increase in the *agri benchmark* Finished Cattle Price Index observed since 2021, regional sub-indices were developed for major production regions contributing significantly to global beef production over the 2014–2016 base period

Four sub-indices were identified; North America, South America, the EU, and China, collectively accounting for approximately 88 percent of the total production weightings in the index as an average over the base period.

### The North America Finished Cattle Producer Price Index

North America Price Index (including the United States, Canada, and Mexico) represents 28 percent of the overall index weighting during the base period, with the United States contributing approximately 22 percent. As shown in Figure 2, this regional index demonstrates a steady and pronounced increase from 79 index points in 2020 to 164 index points in 2025. Several interrelated factors underpin this growth:

- The rebound of the food service sector and resurgent domestic consumer demand for beef in 2021 and 2022 following the COVID-19 pandemic supported stronger prices.
- A prolonged megadrought across southwestern North America led to constrained feed availability and elevated feed costs. These conditions, combined with high input prices, prompted producers to market an unusually high proportion of female cattle, resulting in the smallest U.S. beef herd since 1951. As of January 1, 2025, the total cattle and calf inventory in the US stood at 86.7 million head.
- Despite elevated beef prices, robust economic growth and strong consumer spending sustained domestic consumption. Per capita beef consumption in the US reached 26.8 kg in 2024, reflecting a year-on-year increase of 1.7 percent.
- With tightening domestic supplies and persistent demand, U.S. beef exports fell to 1.4 million tons in 2024, the lowest level since 2020, while imports reached a record 2.1 million tons.
- As the drought conditions receded in 2025 and the economy is holding, herd rebuilding efforts are anticipated to commence. This transition is expected to temporarily constrain beef supply, thereby maintaining high price levels through 2025 and into 2026.

### The EU Finished Cattle Producer Price Index

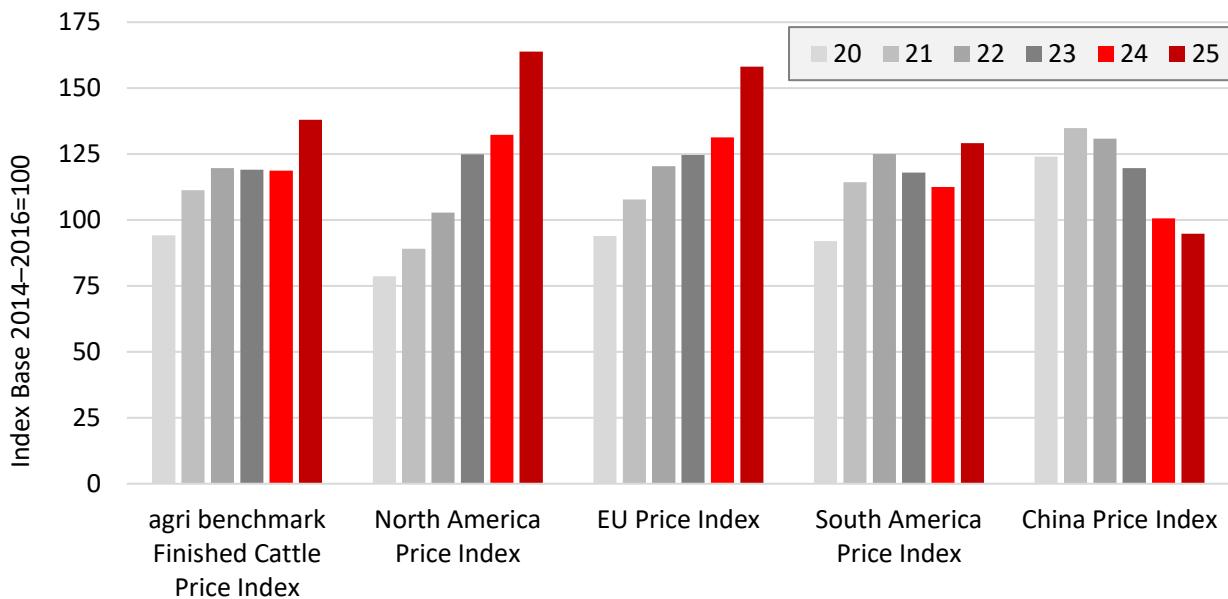
Similar to trends observed in North America, the EU Price Index has shown a sustained upward movement, reaching a record high of 158 index point in 2025 (Figure 2). This increase reflects the combined effects of several market disruptions, including declining cattle inventories and beef production, drought conditions, rising input costs, and the spread of bovine diseases.

In 2024, the European dairy herd fell to 19.2 million cows, a 3.4 percent year-on-year decrease and the lowest level in decades. Consequently, beef production declined sharply across major EU producers, registering levels 7 percent below the five-year average in France, 5 percent in Germany, and 9 percent in Italy.

The contraction of the European cattle herd is driven by multiple structural factors:

- Regulatory pressures: Stricter environmental and sustainability standards have increased compliance costs, encouraging herd reductions.
- Economic constraints: Elevated costs of feed, fertilizer, calves, and labor have eroded profit margins, limiting farmers' capacity to sustain herd sizes despite high carcass and milk prices.
- Climatic challenges: Extreme weather events, including droughts and floods, have reduced feed availability and degraded pasture conditions.
- Demographic trends: An aging farming population, only 12 percent of EU farmers are under 40, has led to herd reductions as retiring producers lack successors.

**Figure 2:** The *agri benchmark* and regional Finished Cattle Price Indices (2000 – 2025)



Source: *agri benchmark* database, 2025. Own illustration. *Finished cattle prices based on USD / kg carcass weight.*

### The South America Finished Cattle Producer Price Index

The South America Price Index is dominated by Brazilian beef producer prices due to the high production share of Brazil—accounting for 65 percent of South American beef production. Beef prices in Brazil have increased for four consecutive years from 2018 to 2022 before experiencing a decline in 2023 and 2024. Prices recovered in 2025 to reach a record high (Figure 2). This was mainly attributed to the following factors:

- After two years of intensified cattle slaughter, Brazil's beef sector entered a herd rebuilding phase in 2020–2021, leading to a 5 percent annual decline in beef production and higher domestic prices.

- In 2022, increased calf supply supported a 7 percent rise in beef production compared with 2021. However, prices continued to climb, driven by strong export demand, particularly from China, which accounted for 62 percent of Brazil's total beef exports.
- In 2023, El Niño conditions in central South America reduced feedlot demand for weaner calves, prompting higher culling of breeding females. Female cattle in Brazil represented over 40 percent of total slaughter, raising beef production by 7 percent and causing the first decline in the beef prices since 2018.
- In 2024, despite growing beef supply, the depreciation of the Brazilian Real (BRL) sustained export competitiveness, keeping prices stable in BRL but lower in USD terms.
- By 2025, beef prices in Brazil rose by 17 percent, driven by a new phase in the cattle cycle, strong export demand, and continued currency devaluation. Reduced replacement stock from earlier high female slaughter rates increased calf prices and limited production, while shortage in global beef supply and robust exports remained the main price drivers.

#### **China Finished Cattle Producer Price Index**

- China's Finished Cattle Producer Price Index has declined steadily since 2022 (Figure 2). The downturn reflects the cumulative impact of post-COVID-19 economic challenges, recovery of the domestic pig industry, increased pork availability, expanding beef imports, particularly from South America and growing domestic beef production.
- By 2024–2025, China faced a surplus in animal protein supply due to record poultry and beef production in addition to well recovered pork sector. Beef production rose by 3 percent year-on-year and 12 percent above the five-year average, driven by dairy sector contraction, low milk prices, and increased culling of dairy cows. Concurrently, beef imports reached 2.8 million tonnes in 2024, 25 percent above the five-year average. These dynamics collectively reduced the price index to 95 point, the lowest level since 2017.

## **2.2 The Weaner Cattle Producer Price Index**

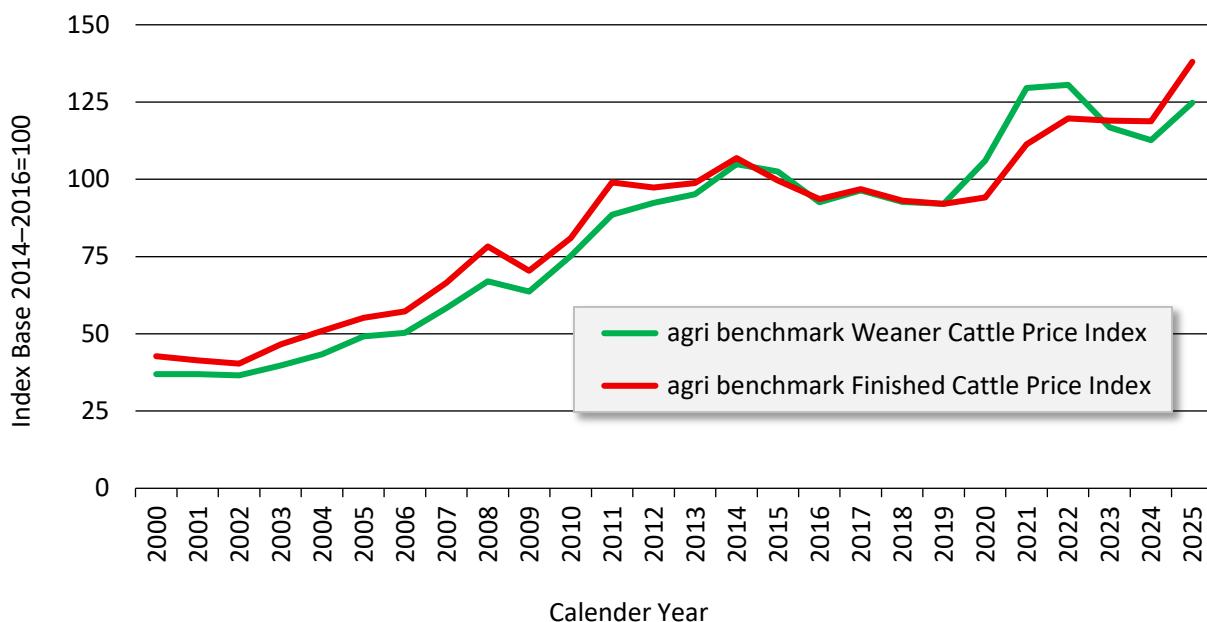
The *agri benchmark* global Weaner Cattle Producer Price Index measures weaner calf prices as the final output sold by cow-calf farms to pre-finishing operations (backgrounding or stocker) or directly to cattle finishing operations. The index is calculated based on weaner calf prices weighted by weaner production share (live weight base) in the network countries.

The Index is of importance to both cow-calf farmers (output prices) and beef producers (input prices). Thus, it serves to monitor and explain changes in value added and net income movements for finished cattle farms over time. This is of major importance to feedlot and pasture production systems in which weaner purchase costs constitute a significant proportion of total finished cattle production costs.

Both indices have historically shown similar trends (Figure 3). However, between 2019 and 2021, strong global beef demand and limited weaner supply during herd rebuilding in Australia and Brazil led to divergent growth. The Finished Cattle Index rose by 22 percent, while the Weaner Cattle Index increased by 40 percent. The moderation in Weaner Index growth in 2022 reflected weaker U.S. demand under drought conditions and herd recovery in Australia. The continued restocking declines in South America and Australia in 2023–2024 caused the first Weaner Index drop since 2018.

By 2025, the index rebounded from 113 to 125 point, driven by renewed weaner demand amid high global beef prices and tight supply, particularly given low weaner availability in the EU and the onset of herd rebuilding in the US after five years of destocking.

**Figure 3:** The *agri benchmark* Weaner Cattle and Finished Cattle Producer Price Indices



Source: *agri benchmark* database, 2025. Own illustration. Weaner cattle prices based on USD / kg live weight.

### 2.3 The Lambs Producer Price Index

The *agri benchmark* Lambs Producer Price Index includes weighted prices of lambs from 11 countries, with Australia, New Zealand, the EU and the UK representing 76 percent of the production weighting in the base period 2014–16.

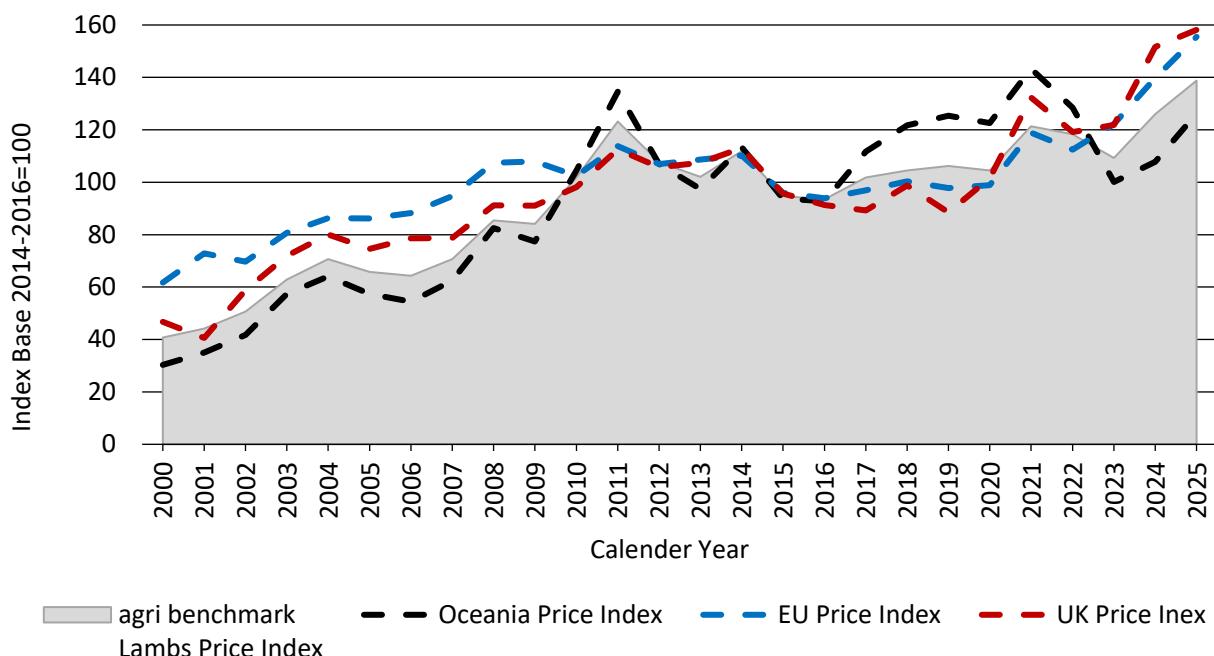
As shown in Figure 4, lamb prices in Oceania closely mirror movements in the *agri benchmark* Index, exhibiting greater volatility and higher price levels, particularly since China’s emergence as a major importer in 2010. In contrast, prices across EU member states remain more stable and considerably lower.

After remaining near 100 index points between 2017 and 2020, the index reached a record 121 index point in 2021, driven by price increases in Australia, New Zealand, and Germany. The rise in Oceania was largely supported by strong Chinese demand and reduced Australian supply due to flock rebuilding after the 2018–2019 drought. The Index subsequently declined by 3 percent in 2022 and 8 percent in 2023, mainly due to Australia’s rapid flock recovery, the fastest in a century, which led to record lamb production of 600,000 tonnes in 2023, up 18 percent from 2021.

Following two consecutive years of decline, the Oceania Index rebounded sharply in 2024–2025, accompanied by accelerated increases in the EU and UK indices. This in turn drove up the *agri benchmark* Lambs Price Index to a new record level in 2025 at 139 index point. Australian lamb production also peaked in 2024 at 629,000 tonnes, driven by flock expansion and the shift from Merino wool-focused flocks toward dual-purpose or lamb-focused flocks. Despite abundant domestic supply, strong export demand from China, the US, and the Middle East sustained high prices, pushing the export value of Australian sheep meat up by 17 percent to a record USD 5.17 billion.

In the EU and UK, lamb prices in 2024–2025 were supported by adverse factors including disease outbreaks (Bluetongue serotypes 3 and 8 in France), unfavourable weather conditions leading to higher lamb mortality, and reduced direct payments, all contributing to tighter production conditions and higher prices.

**Figure 4:** The *agri benchmark* and regional Lambs Producer Price Indices



Source: *agri benchmark* database, 2025. Own illustration. Lambs' prices based on USD / kg carcass weight.

## 2.4 The Sheep Meat Producer Price Index

In many countries, there is no data distinguishing lambs from sheep, just a combined total. Hence, whereas the *agri benchmark* Lambs Price Index has 11 contributing countries, the Lambs and Sheep Price Index includes weighted prices from 20 countries. Since China contributes 60 percent of the sheep production share in the globe, it dominates the weighting. Thus, to build up a more complete and realistic picture of how the global sheep meat prices are developing, we introduce the Sheep Meat Producer Price Index including and excluding China.

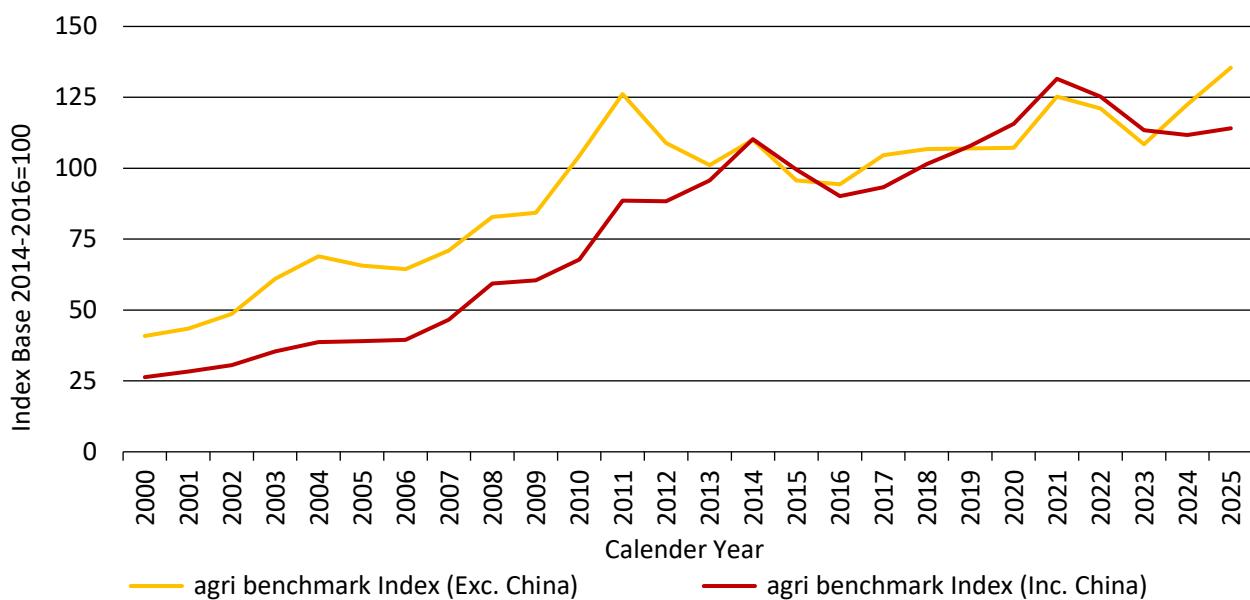
Australia and New Zealand have a combined 40 percent of the production weighting in the *agri benchmark* Sheep Meat Price Index (excluding China). Other significant countries in the index are Algeria, Iran and the UK, each with a 9–11 percent share in the base period 2014–16.

The *agri benchmark* Sheep Meat Price Index (excluding China) displayed broadly the same movements as the Lambs Price Index (Figure 5), rising to a peak in 2011 before falling back to 2015 and recovering over the last four years. However, following the 2011 peak, the index (excluding China) showed an identical change to that of the Lambs Price Index until 2016. The reason for this is probably the influence of the rapid rise in China's import demand, which would have lifted the value of sheep more than it did for lambs.

When China is included in the Sheep Meat Price Index it dominates the weighting, with a production share of 60 percent in the base period, followed by Australia (10 percent) and New Zealand (6 percent). China's production share has risen from 46 percent in 2000, with commensurate falls in the shares of all other major producers. In the past 15 years, China's sheep meat demand growth has accelerated, but local production growth has slowed, causing a rapid rise in China's lambs and sheep prices – to be one of the highest in the world. Hence, if China is included, the index keeps rising beyond 2011 to peak in 2014 and has risen much more than the index excluding China since 2017.

**Figure 5:**

Comparison of the *agri benchmark* Sheep Meat Producer Price Indices, including and excluding China



Source: *agri benchmark* database, 2025. Own illustration. Sheep meat prices based on USD / kg carcass weight.

Both versions of the index recorded year-on-year declines in 2022 and 2023. However, in 2024–2025, the index excluding China rose sharply in line with lamb price trends, while the China-inclusive index remained largely stable, reflecting declining domestic prices.

By 2025, sheep meat prices in China had reached their lowest level since 2018, largely due to abundant protein supplies and consumer shifts toward cheaper meats. Per capita sheep meat consumption fell by 2 percent year-on-year in 2024 and was 4 percent below the five-year average.

Per capita consumption of sheep meat in China in 2024 went down by 2 percent year-on-year and 4 percent below the five-year average. Economic headwinds such as a weak housing market, high youth unemployment, declining foreign investment, and rural banking instability have continued to constrain consumer spending, prompting substitution toward lower-priced pork and poultry.

### 3 Updated Summary of the *agri benchmark* Global Producer Price Indices, 2024 – 2025

#### 3.1 The Finished Cattle and Weaner Cattle Price Indices

- **World producer prices remained elevated in 2024–2025**, primarily driven by robust demand and reduced production in North America and the EU.
- **The contraction of US cattle inventories** and the approaching herd-rebuilding have intensified import demand, exerting upward pressure on global beef prices, a trend expected to continue through 2025–2026.
- **China's beef prices weakened** due to an oversupply of animal protein, stemming from high domestic production of beef, pork, and poultry, alongside record beef imports from South America.
- **Stricter environmental and sustainability regulations in the EU** have contributed to constrained beef supply and increased production costs.
- **Australian cattle prices have continued to fluctuate significantly**, reflecting the effects of climatic variability on supply.
- **Tightening South American supply and exports** constraints are anticipated to further strengthen global cattle prices.

#### 3.2 The Lambs and Sheep Meat Price Indices

- **Sheep meat prices reached record or near-record levels** across most regions during 2024–2025, except in China, where prices declined amid slower economic growth, recovery of the pig sector, and ample poultry supply.
- **Sheep meat prices in Europe have recovered** as local production fell, while **strong demand in the MENA, the EU, the UK, and the US** States offset China's market weakness.
- Despite **abundant supplies in Australia and New Zealand**, strong global demand sustained historically high price levels.
- **Climate extremes** continued to disrupt production, particularly in the Middle East (notably Iran), North Africa (Morocco and Algeria), Australia, the US, and parts of Europe (France and the UK).