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## Australian beef sector balances global disruption with emerging herd rebuild

Australia's beef industry enters 2026 navigating a complex combination of strong global demand, natural disaster impacts, new Chinese import restrictions, and early indicators of a domestic herd rebuild, according to new analysis from ANZ.

Despite recent floods, bushfires and market uncertainty following China's announcement, domestic saleyard prices have remained firm.

Most categories are sitting 110–120c/kg liveweight above the same period last year, supported by strong slaughter volumes and improved northern pasture conditions. The national Female Slaughter Rate has now dipped below the 47% rebuild threshold for the first time since 2025.

ANZ Associate Director, Agribusiness Insights, Madeleine Swan, said the sector is facing a pivotal year.

“Producers face a strategic choice in 2026 – capture value from tightening global supply now or prioritise rebuilding herds after several intense production years. Both pathways have strong market fundamentals behind them,” Ms Swan said.

### China quota shifts reshape global trade

China's new 2.6 million-tonne beef import quota for 2026 – paired with a 55% tariff on out-of-quota volumes – marks a structural shift for global exporters.

Australia's allocation of 205,000 tonnes is below its 2024 market share and represents a material reduction compared with recent export levels. Major exporters including Brazil, Argentina, Uruguay and the US will all face constrained access.

The measures align with China's push toward protein self-sufficiency, despite ongoing challenges: beef self-sufficiency has fallen to 68%, consumption has surged 70% over the past decade, and the national herd has dropped 15% in two years. The effectiveness of the quota strategy remains uncertain as economic pressures are already expected to soften consumption in 2026.

### Domestic supply tightening supports prices

Cattle slaughter has begun the year around 2% higher than 2025, with Western Australia, South Australia and Victoria recording notable increases.

Queensland's flooding – causing an estimated loss of 50,000 head – has disrupted supply in the north. Forecasts point to national slaughter falling around 3% in 2026 as the herd rebuild gains momentum, supporting prices across the year.

### Global pressures continue

US production is forecast to decline further in 2026, while Brazil may enter its own rebuild phase after rapid expansion. Meanwhile, the United States-Argentina Free Trade Agreement will allow 80,000 tonnes of tariff-free Argentinian beef into the US, shifting global supply dynamics.

For media enquiries contact:

**Alexandra La Sala**  
Public Relations Advisor  
Tel: +61 499 292 554

**Kate Power**  
Public Relations Manager  
Tel: + 61 481 547 556