Policy Time vs. Cattle Time

Why every fix to the beef shortage arrives faster than the beef

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Washington can rewrite trade rules in a day. A rancher needs about two years to raise a steer. That mismatch, policy time against cattle time, runs through this fall's beef story, and it explains why every fix announced so far has arrived well ahead of any relief at the grocery store.

A shrinking herd

The U.S. cattle herd stood at 86.2 million head in January 2026, the smallest since 1951. Retail Choice beef reached $10.49 a pound in July, up from $8.51 in August 2024, and beef and veal prices ran 9.4% above a year earlier. Record prices should eventually bring more cattle, but in the short run they do the opposite: a rancher who keeps a heifer to rebuild the herd waits about two years for a payoff, while selling her today pays at once. So ranchers sell. Packers such as Tyson pay more for cattle than the beef brings and are closing plants. The White House wants lower prices before the midterms.

The screwworm

The New World screwworm, a fly whose larvae eat the living flesh of warm-blooded animals, broke through the barrier in Panama and spread north into Mexico. The proven defence is biological: females mate once, so releasing sterile males means eggs that never hatch. The limit is production. The last big Texas outbreak needed about 700 million sterile flies a week; Panama's plant makes about 100 million. A $750 million Texas plant targets first output in November 2027, scaling from 100 million to 300 million a week. Until then, the border depends on flies from Panama and Mexico.

Ports and quotas

Washington has reached for trade levers instead. On August 24 the port at Douglas, Arizona reopened to Mexican cattle, capped at 700 head a day; by September 24 about 6,500 head had crossed, and the larger Santa Teresa, New Mexico crossing was set to reopen. Mexican ranchers had sold at nearly 40% less at home during the ban. On August 26 a proclamation added 300,000 metric tons of lean beef trimmings to the 2026 import quota, nearly 15% of 2025 imports. Cattle groups opposed it, and the president says he may end it if import prices do not fall.

How it connects

Screwworm shut the border to Mexican feeder calves just as a herd at a 75-year low had fewer calves of its own to fatten. Record prices squeezed packers, and Washington answered with open ports and a wider quota. But an imported calf takes five to eight months to reach slaughter weight, so neither move lowers prices right away. These are plausible channels, not proven causation.

What to watch

- Whether crossings at Santa Teresa and other ports scale up or stall.
- The 300,000-ton quota, which can be ended if import prices do not fall.
- New screwworm cases in Texas, which could close the border again.
- The Texas sterile fly plant, first output targeted for November 2027.
- USDA's January cattle report, the first sign of rebuilding; some expect relief in 2028 or later.

Sources: USDA; Bloomberg via Farm Progress; Fox Business; ABC News; Newsweek; Reuters; AP; NPR; PBS; High Plains Journal; DTN; the White House.