

Beef Quality Trends 2005-2025

Brian K. Coffey (bcoffey@ksu.edu), Ted Schroeder (tcs@ksu.edu), and Glynn Tonsor (gtonsor@ksu.edu) – K-State Department of Agricultural Economics

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The increase in consumer demand for protein, beef in particular, over the past several years has been well-documented (for examples, see [here](#), [here](#), and [here](#)). Concurrent to this demand growth has been a tremendous growth in the availability of higher-quality beef. Beef quality is delineated by several measures, the most prominent of which is [USDA quality grade](#). Quality grades are based on how fat is dispersed, or marbled, throughout beef. In general, higher quality grades and more uniform marbling correspond to increased flavor and better eating experiences for consumers. The prominence of various grades of beef in the US in aggregate can be measured at the wholesale level.

Wholesale Beef Data

The United States Department of Agriculture Agricultural Marketing Service (USDA AMS) report for [National Comprehensive Boxed Beef Cutout - all Fed Steer/Heifer Sales](#) offers a representative look at the volume and value of wholesale beef from fed slaughter. In the report, carcasses are valued based on the bundle of specific cuts and products that can be sold. This bundle is known as the “cutout”. Cutout value is not a price, per se, but reflects the estimated value a carcass has to a processor in a given week. Beef in this report is sorted into [five graded categories](#): Prime, Choice, Branded, Select, and Ungraded. Prime is the highest quality grade and Choice the second highest. Branded beef is marketed under a corporate trademark or in a USDA certified program. Branded beef typically comes from the upper 2/3 of Choice-graded beef. Select is the third highest quality grade and has the least marbling. Ungraded (or “no-roll”) beef comes from cuts that do not qualify to be graded Prime, Choice, or Select. Ungraded beef can be sold as cuts or included in trimmings/grind.

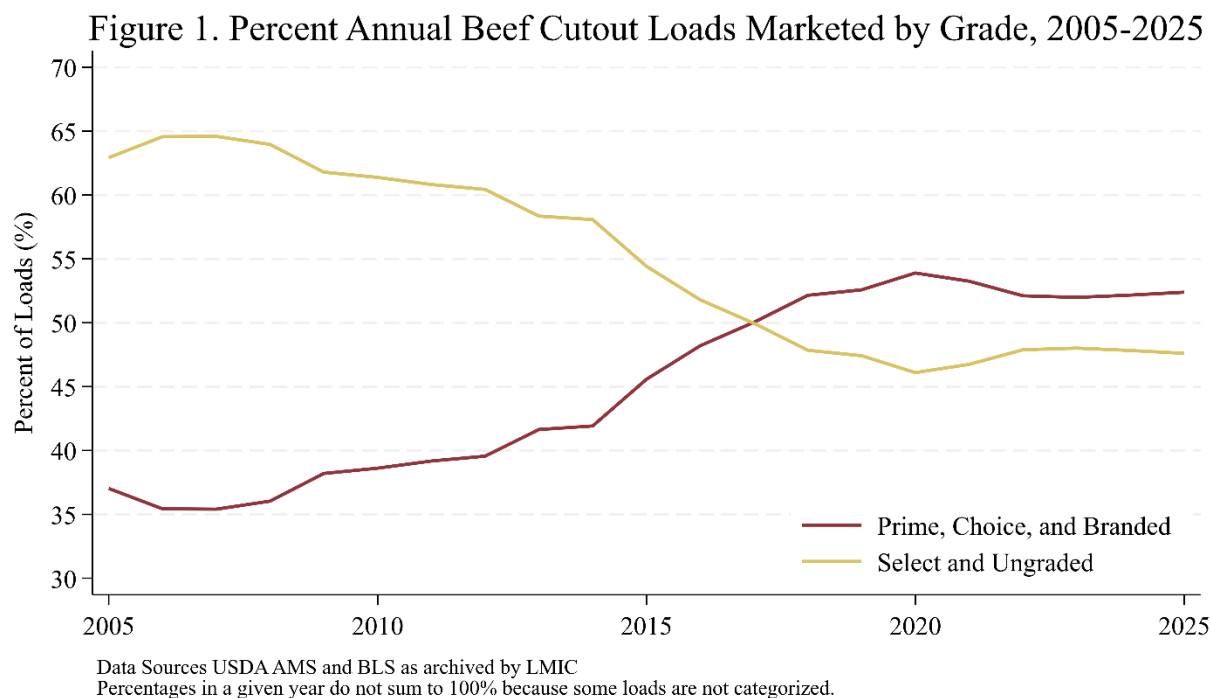
Beef Quality Trends from 2005 to 2025

Real beef cutout values and volumes of beef marketed were compiled based on weekly comprehensive boxed beef cutout reports from 2004 to 2025. Cutout values were converted into real dollars using the US Bureau of Labor Statistics Consumer Price Index for All Items in quarter 1 of 2026. All data were collected from [Livestock Marketing Information Center](#) archives.

The first major trend to acknowledge is the rapid increase in the prevalence of high-quality beef at the wholesale level. Figure 1 shows annual percentages of loads¹ marketed of higher quality beef (Prime, Branded, and Choice) and lower-quality beef (Select and Ungraded). In the mid-2000s, Select and Ungraded beef comprised about 65% of the market with 35% being Prime, Choice, or Branded. The composition of graded beef changed rapidly and, by 2018, a majority

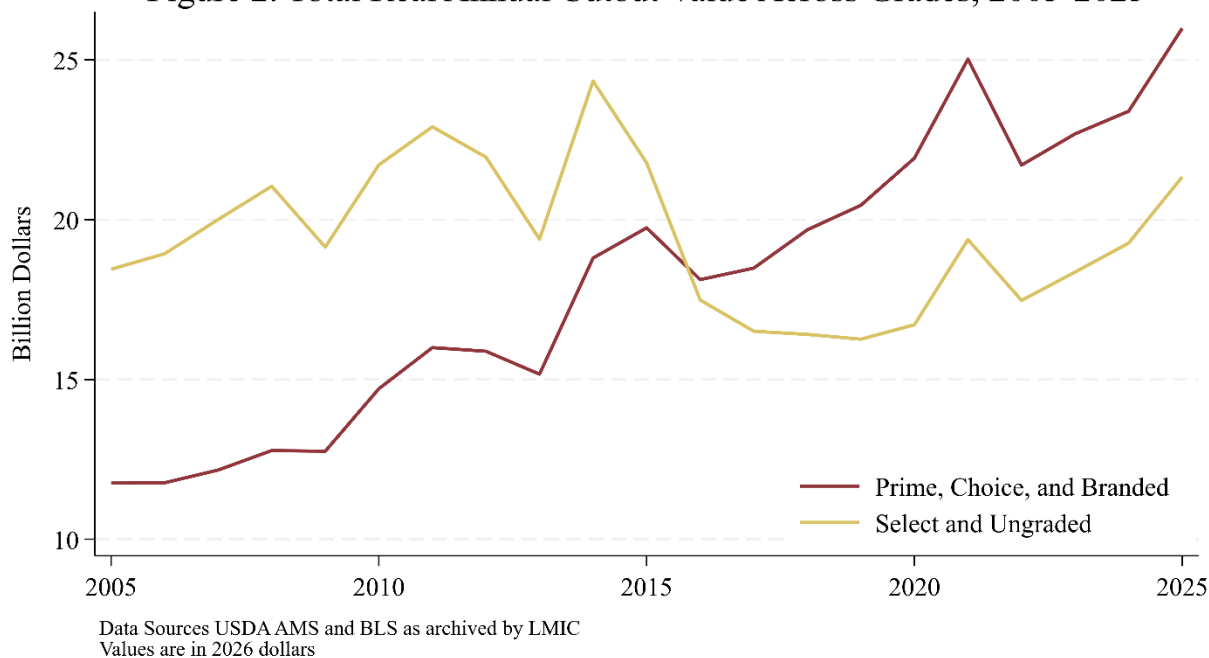
¹ A load of boxed beef is 40,000 lbs or 400 cwt.

of wholesale beef was Prime, Choice, or Branded. The trend has leveled out with around 53% of beef belonging to these three high-quality categories.



As Prime and Choice (including Branded) beef receive a premium relative to Select, this shift in prevalence of higher-quality beef corresponds to a shift in value of beef. The weekly comprehensive boxed beef cutout report includes a comprehensive cutout value and a cutout value for each quality category. These cutout values are routinely used by the industry to track the aggregate premiums awarded to Prime and Choice beef. For this study, weekly cutout values for each grade were used to calculate a quarterly average. Quarterly average cutout values were converted to 2026 dollars and multiplied by pounds of beef marketed that quarter. These quarterly values were summed to get aggregate annual real cutout value at the wholesale level.

Figure 2. Total Real Annual Cutout Value Across Grades, 2005-2025

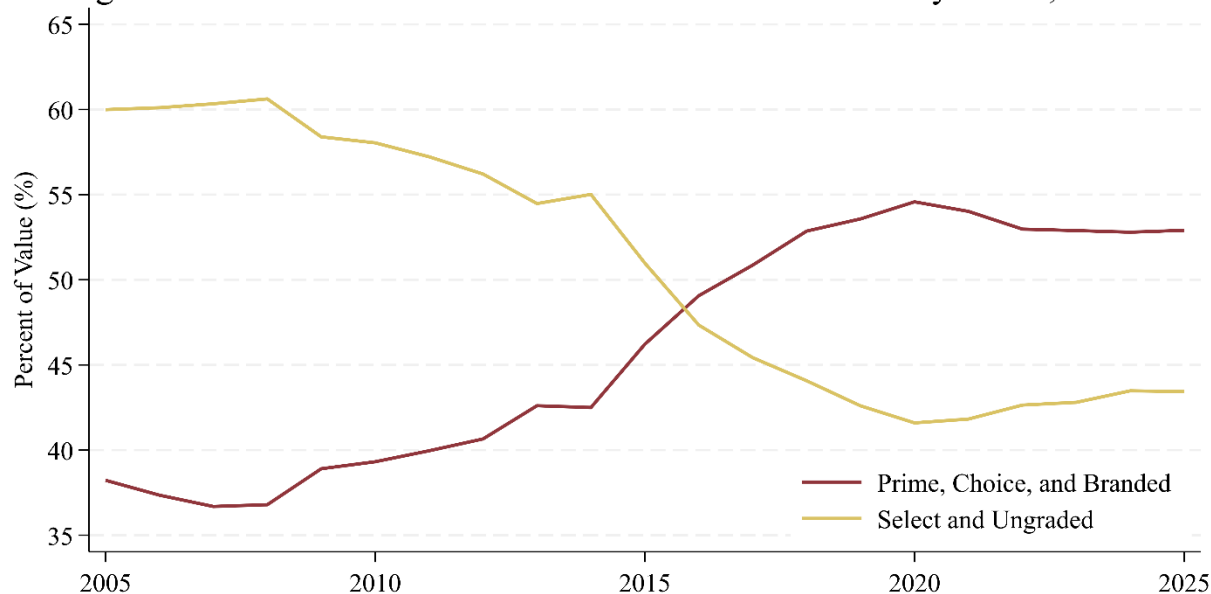


Since 2005, the value created by Prime, Choice, and Branded carcasses has steadily increased. It is important to remember that this is an increase in real dollars and, therefore, is not impacted by broad inflationary trends. Just as with total volume, total value of Prime, Choice, and Branded beef surpassed the value of all other wholesale beef value soon after 2015. Since 2020, the values of both categories have grown but higher quality beef remains the dominant source of value.

Figure 3 shows the same real value breakdown in percentage terms. Since 2016, higher-quality graded beef has accounted for the majority of the value of wholesale beef marketed. From 2022 to 2025, the relationship has been stable with higher quality beef responsible for 53% of value and lower-quality beef responsible of 43%.²

² These percentages do not sum 100% because there are a few loads of boxed beef marketed that are not categorized as one of the five subsets.

Figure 3. Percent of Annual Real Total Beef Cutout Value by Grade, 2005-2025

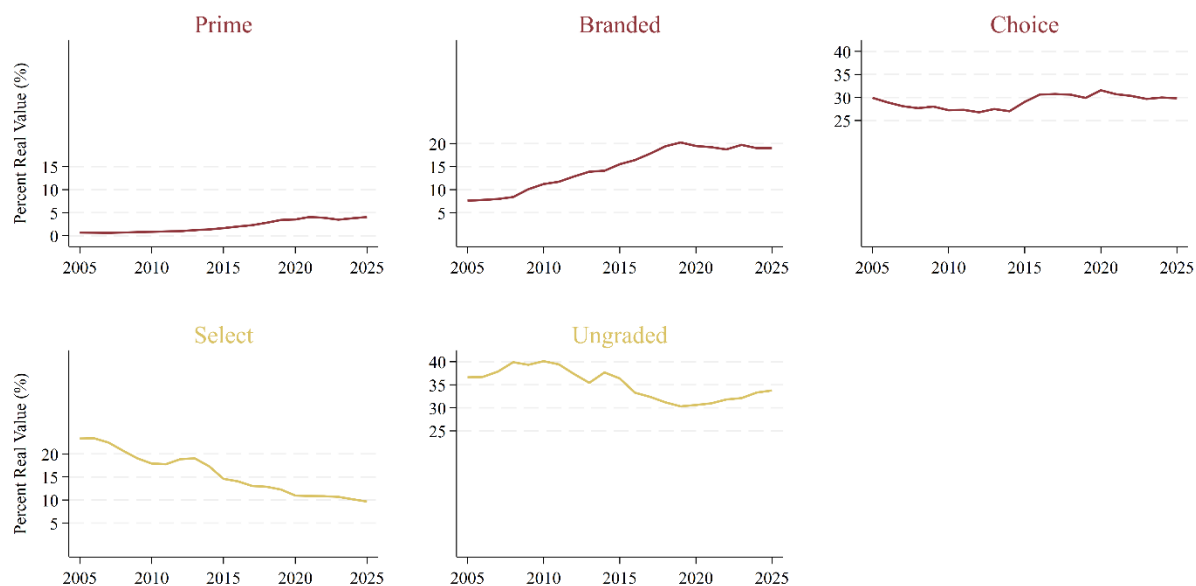


Data Sources USDA AMS and BLS as archived by LMIC

Percentages in a given year do not sum to 100% because some loads are not categorized.

As shown in Figure 4, there is considerable variation in value of grades within the broad categories shown in Figures 1 to 3. For the past twenty years, the relative wholesale value contributed by Select beef has been declining. This is a

Figure 4. Percent of Annual Real Total Beef Cutout Value by Grade, 2005-2025



Data Sources USDA AMS and BLS as archived by LMIC

Values based on 2026 Dollars. Percentages in a given year do not sum to 100% because some loads are not categorized.



good opportunity to mention that this, in no way, indicates that Select beef is an inferior product. It has a place in the market. However, broader customer and consumer demand trends mean it is valued less than higher-grading beef. This is reflected in industry efforts to produce more Prime, Branded, and Choice beef (Figure 1) as well as price differential between Select and higher-quality grades (Figures 2 and 3).

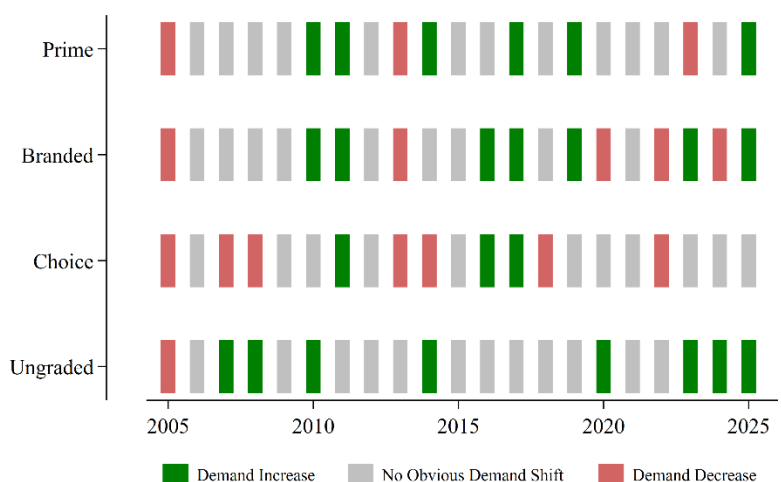
The trend in value created by Prime beef has also been consistent but in a positive direction. In 2025, slightly more than 4% of wholesale beef value was from Prime beef, compared to 0.7 % in 2005. Branded beef also became markedly more important to the industry over the past 20 years. In 2005, Branded boxed beef sales accounted for 7.6% of total value. That number was 20.2% in 2019. Since 2019, relative value of wholesale branded beef has been steady between 18% and 20%.

Relative value contributed by Ungraded beef has also been on the decline with some exceptions. Between 2021 and 2025, relative value of Ungraded beef increased from 30.9% to 33.7%. This is most likely because some of the ungraded beef is used for trimmings or ground product production. As the domestic supply of lean beef for trimmings has decreased, the price per pound for lean trim has increased.

Beef Demand

The comprehensive boxed beef report data can also provide insight into wholesale beef demand ([Schroeder, Tonsor, and Coffey 2021](#)). The law of demand states that, all else equal, a decrease (increase) in price of a good will result in an increase (decrease) in quantity of that good purchased. That means when price and consumption changes from one period to the next do not conform to those relative directions, a change in demand has occurred. For example, if price of a good increases and consumers buy more of it, demand for that good has increased. Something fundamental in the way consumers view the good has shifted. Using this principle, obvious year-over-year demand increases and decreases relative to Select beef, were identified for all other grades of wholesale boxed beef. An obvious demand increase for a

Figure 5. Annual Obvious Demand Shifts for Beef Cutout Across Grades Relative to Select, 2005-2025



Data Sources: USDA AMS and BLS, cutout values were normalized to 2026 dollars
Demand increases (decreases) are defined as an increase (decrease) in proportion of loads of a given grade AND increase (decrease) in its value premium, relative to select cutout in the previous year.

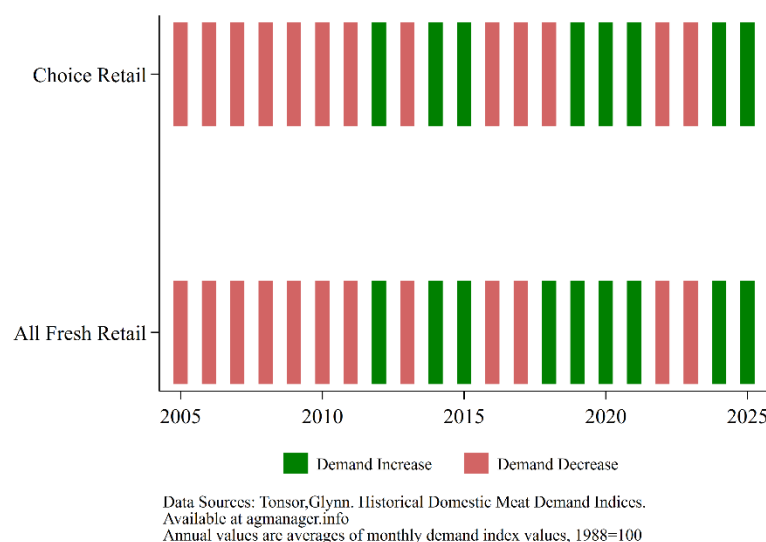


particular grade was defined as year where real estimated cutout value for that grade increased and there was an increase in percentage of loads of that grade marketed, compared to Select beef. A demand decrease was defined as a decrease in premium and percentage of loads, relative to Select beef. This approach will identify the obvious demand shifts among grades of wholesale beef. Figure 5 shows the obvious annual demand changes across grades of wholesale beef. The consistency of demand increases in Branded and Prime beef is obvious. Ungraded beef has also seen years of increased demand. As mentioned earlier, this likely corresponds to the market need for lean beef destined for trimmings.

To reiterate, Figure 5 does not represent aggregate demand shifts by grade. Absent elasticity estimates specific to Prime, Branded, Choice, Select, and Ungraded to support such direct demand change conclusions by grade, we focus on RELATIVE demand shifts. Specifically, we use Select as our base of comparison to identify periods where Prime, Branded, Choice and Ungraded clearly increased or decreased in demand relative to Select. Note there are periods where aggregate demand would have clear directional movement in all grades and that is not our focus here - rather we are solely focused on patterns relative to Select.

The relative shifts in demand for specific quality grades of beef at the wholesale level are related to, but not perfectly indicative of shifts in consumer beef demand. As a point of comparison, Figure 6 shows demand changes at the for Choice and all fresh beef at the retail level. Year over year demand changes are calculated using Kansas State University [Historical Domestic Demand Indices](#). These monthly demand indices [use elasticity estimates, price data, and quantity data to estimate monthly meat demand relative to a historic benchmark](#). Figure 6 shows changes in the average annual demand for Choice Beef and All Fresh Beef.

Figure 6. Beef Demand Shifts Based on Retail Demand Indices, 2005-2025



Retail demand increases indicate that, on aggregate, consumers' fundamental valuation of beef has increased from one year to the next. Figure 5 demonstrates the relative shifts among grades of beef that take place at the wholesale level to better provide consumers (including those eating beef in food service settings) with products they desire.

Concluding Thoughts

The transition in the US beef sector over the past twenty years toward producing higher-quality product has been remarkable. Shifting toward higher-quality beef has required efforts all along the supply chain, including genetic improvements, better management practices, enhanced feeding strategies, and more efficient processing. The increase in higher-grading beef has created substantial wholesale value for the beef sector. Even in times when the real premium over Select for Prime, Choice, and Branded beef increased, the market still demanded more of those grades. Over the past twenty years, consumer demand for beef has also strengthened. The beef cutout data tracks the change in composition of beef at the wholesale level and does not quantify an impact on consumer demand. However, the availability of high-quality grading, flavorful beef that results in positive eating experiences has no doubt been a major factor in supporting US beef demand at the consumer level. The efforts to arrive at this point should be recognized and, going forward, the focus on quality will remain critical in providing consumers with a product they value.

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K-State Agricultural Economics | 342 Waters Hall, Manhattan, KS 66506-4011 | 785.532.1504
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