

The total inventory of beef, pork, chicken and turkey at the end of March was 2.373 billion pounds, 1.5% lower than a year ago but still 7.6% higher than the five year average. **Combined red meat and poultry inventories declined 1.6% from the previous month compared to an average drawdown in inventory of 1.5% in the last five years.** The report results may be construed as neutral to moderately bullish, especially considering robust export demand later this spring and into the summer months.

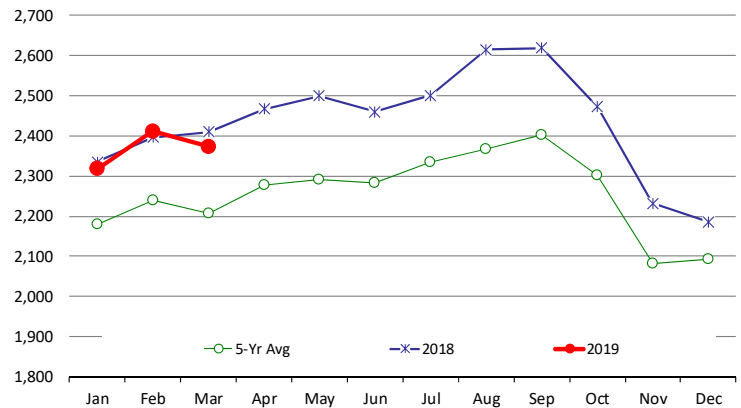
The supply of boneless beef in cold storage was estimated at 420.8 million pounds, 1.3% lower than a year ago and near the same level as the five year average. **Boneless beef inventories declined 6.7% compared to the previous month while in the last five years the average drawdown has been 2.9%.** Lower beef imports and improving demand likely contributed to the above average drawdown and we view the number as supportive for beef prices post Easter and into Memorial Day. The inventory of **bone-in beef cuts was 29.8 million pounds, 21% lower than a year ago and 25% lower than the five year average.** End users sought to improve their inventory position going into Memorial Day but freezer stocks are lower than normal and may be viewed as supportive for beef prices, especially bone-in rib prices in late April and May.

The total inventory of pork products in cold storage at the end of March was 610.1 million pounds, 0.1% lower than a year ago and only 1.1% higher than the five year average. Pork inventories at the end of March were about 1% lower than the previous month compared to a 4.1% drawdown in stocks for the last five years. This may be construed as somewhat negative for pork prices but we think that overstates the case. **Easter was late this year, which may have delayed the normal drawdown in ham inventories.** Also, fear of higher prices down the road may have induced some end users to bolster their inventories earlier than normal. The total inventory of all hams in cold storage was 100.5 million pounds, 7.4% higher than a year ago and 10% higher than the five year average. It is not unusual for end users to start building their belly freezer stocks during Mar-May and this year is no different. Pork belly inventory in the freezer at the end of March was 58.8 million pounds, 9.3% higher than the previous month. In the last five years the pork belly inventory build has averaged 4% but in the last two years March inventories have increased by 27% and 21%. Very high belly prices in the first two months of April suggest a very rapid pace of inventory building. Unknown at this time is the amount of bellies/bacon inventory put away as finished product. Rib inventory was 140.9 million pounds, 1.2% lower than the previous month compared to an average 4% increase in the last five years. Pork rib inventories at the end of March were 2.2% lower than a year ago.

The supply of all chicken products in cold storage was 845.5 million pounds, 3% lower than the previous year but still 13% higher

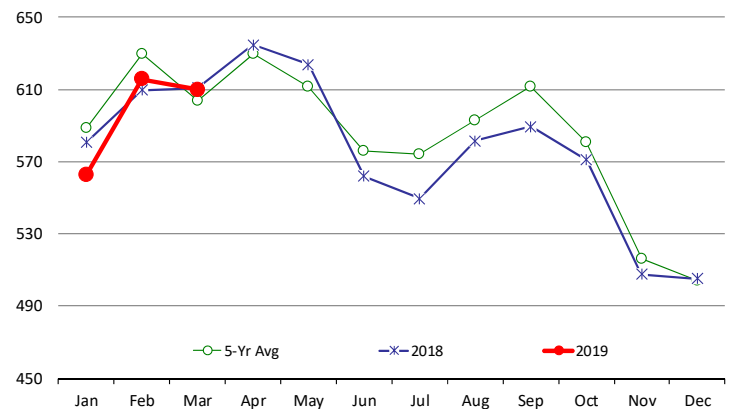
Combined Beef, Pork, Chicken and Turkey in Cold Storage at End of Month

Million Pounds. Source: USDA-NASS



All Pork In Cold Storage at End of Month

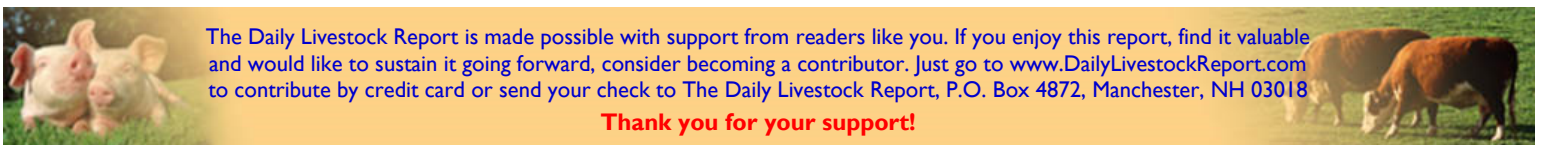
Million Pounds. Source: USDA-NASS



than the five year average. Breast meat inventory was 176.7 million pounds, 5% lower than the previous month and in line with the normal drawdown in stocks. Whole bird inventory declined 2.9% from the previous month but still 20% higher than in 2018.

In the last five years the normal inventory increase during March has been 16% but this year, faced with weak prices and burdensome supplies, fewer whole birds ended up in the freezer. Total inventory of whole turkeys at the end of March was 222.9 million pounds, only 3.8% higher than in February and just 1.9% higher than last year.

See page 2 for full details.



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USDA STOCKS IN COLD STORAGE REPORT

COMMODITY	Stocks in All Warehouses			Percent Of	
	31-Mar-18	28-Feb-19	31-Mar-19	Mar-18	Feb-19
	1,000 Pounds				
<u>Frozen Pork</u>					
<i>Picnics, Bone-In</i>	11,314	6,742	8,283	73	123
<i>Hams, Total</i>	96,339	127,740	103,470	107	81
<i>Bone-in</i>	24,234	38,193	29,174	120	76
<i>Boneless</i>	72,105	89,547	74,296	103	83
<i>Bellies</i>	59,202	53,771	58,788	99	109
<i>Loins, Total</i>	39,553	38,648	42,041	106	109
<i>Bone-in</i>	13,081	14,414	17,497	134	121
<i>Boneless</i>	26,472	24,234	24,544	93	101
<i>Ribs</i>	143,957	142,606	140,859	98	99
<i>Butts</i>	20,629	25,290	27,262	132	108
<i>Trimmings</i>	56,318	51,317	55,835	99	109
<i>Other</i>	93,548	83,644	85,375	91	102
<i>Variety Meats</i>	35,875	34,829	32,778	91	94
<i>Unclassified</i>	54,278	51,083	55,438	102	109
Total	611,013	615,670	610,129	100	99
<u>Frozen Beef</u>					
<i>Boneless</i>	426,232	445,621	420,804	99	94
<i>Beef Cuts</i>	37,725	28,357	29,853	79	105
Total	463,957	473,978	450,657	97	95
<u>Other</u>					
<i>Veal</i>	20,780	9,332	4,574	22	49
<i>Lamb & Mutton</i>	28,615	35,503	31,075	109	88
Total	49,395	44,835	35,649	72	80
Total Red Meat	1,124,365	1,134,483	1,096,435	98	97
<u>Chicken</u>					
<i>Broilers, Fryers, Roasters</i>	15,641	19,363	18,795	120	97
<i>Breasts and Breast Meat</i>	184,218	186,110	176,749	96	95
<i>Leg Quarters</i>	86,768	64,365	64,254	74	100
<i>Wings</i>	68,347	65,326	61,343	90	94
<i>Other Chicken</i>	516,499	533,692	524,405	102	98
Total	871,473	868,856	845,546	97	97
<u>Turkey</u>					
<i>Whole Turkeys</i>	218,848	214,899	222,864	102	104
<i>Turkey Breast</i>	100,335	107,144	107,302	107	100
<i>Other</i>	143,802	130,136	136,742	95	105
Total	462,985	452,179	466,908	101	103
<i>Ducks</i>	3,623	3,825	4,162	115	109
Total Poultry	1,338,081	1,324,860	1,316,616	98	99

