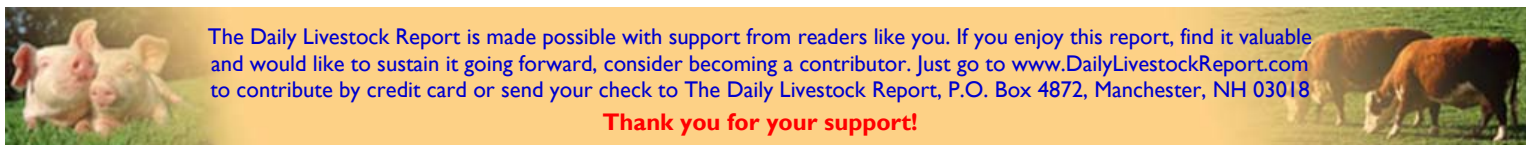
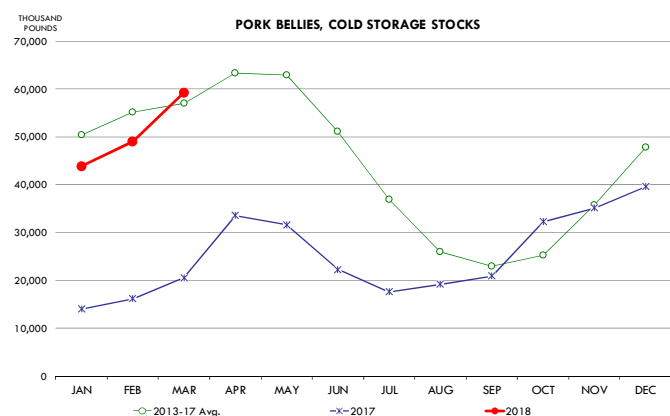
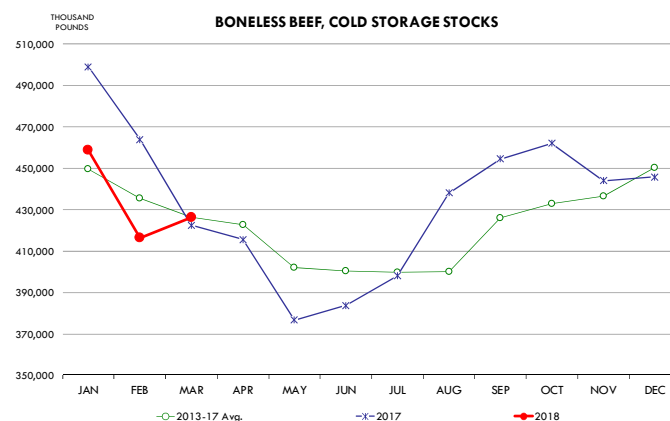
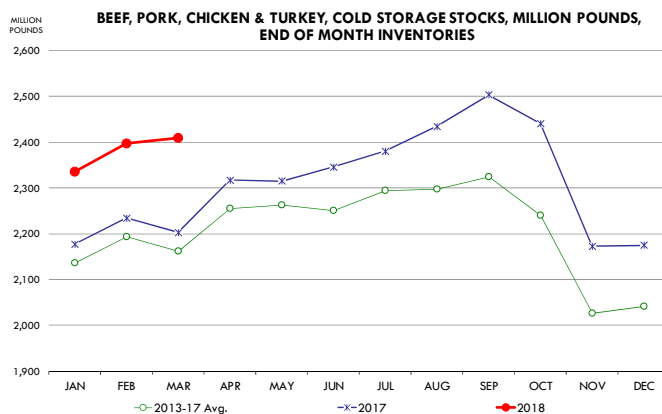


USDA its monthly 'Cold Storage' survey results yesterday afternoon (April 23). **The total supply of beef, pork, chicken and turkey in cold storage at the end of March was 2.409 billion pounds, 9.4% higher than a year ago and 11.5% higher than the five year average.** On average in the past five years March inventories have declined 1% from February levels. This year the March inventory was 0.5% higher, largely due to more whole turkeys going into storage.

**Total beef inventories at the end of February were 464.0 million pounds, unchanged from a year ago and still 1% less than the five year average.** Boneless beef inventories were surprisingly higher in March despite a relatively modest increase in slaughter and sharply discounted futures. The increase is not helpful for a beef market that will likely see a significant increase in available supplies in May and June. If exports were the reason for the higher inventories we would expect larger stocks in the Pacific region. However, the biggest increase in inventories from February to March was in the Middle Atlantic. We think slow demand, possibly due to inclement weather, caused product to back up in freezers along the East Coast.

The inventory of all pork products in cold storage at the end of March was 611.0 million pounds, 12% higher than a year ago and at the same level as the five year average. **In the last five years, the average drawdown of pork cold storage supplies in March was 3.7%. This year March inventories increased slightly from February levels.** The drawdown in ham stocks in March was 22% compared to a 21% average for the last five years. Lower belly prices appear to have pushed more bellies cold storage. We don't know exactly where these bellies are accumulated since USDA does not provide a breakdown by region due to confidentiality issues. Total belly stocks at the end of March were 59.2 million pounds, 187% higher than a year ago and now 3.8% higher than the five year average. Inventories increased 21% in March vs. February, compared to a 3% average gain in the last five years. The last time we saw Feb/Mar inventories increase by a similar amount was in 2013. That year the pork belly primal was flat through March but then rose 40% between April and early August. Large slaughter has increased the amount of pork trim, pressuring prices. Seasonally pork trim prices increase in the spring and this likely caused packers and traders to push more trim into the freezer. Total pork trim inventories at the end of March were 56.4 million pounds, 41% higher than a year ago and 9.7% higher than the five year average. Inventories rose 10% m/m compared to an average 4% increase in the last five years.

USDA estimates the supply of **all chicken products in refrigerated warehouses at the end of March was 871.3 million pounds, 13.9% higher than a year ago and 25.2% higher than the five year average.** The drawdown in chicken inventories in March was 3.2% compared to an average 3% increase in the last five years. The drawdown in stocks may be viewed as positive for prices this spring but still heavy inventory numbers imply industry has plenty of work to do. Turkey breast inventories declined 1% compared to February. In the last five years March turkey breast inventories have increased 6% m/m. The drawdown in turkey breast inventories has accelerated and evident in the price of turkey breast in the spot market, up 30 cents in the last four weeks.



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## Daily Livestock Report

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## USDA STOCKS IN COLD STORAGE REPORT

COMMODITY	Stocks in All Warehouses			Percent Of	
	31-Mar-17	28-Feb-18	31-Mar-18	Mar-17	Feb-18
	<b>1,000 Pounds</b>				
<b><u>Frozen Pork</u></b>					
<i>Picnics, Bone-In</i>	8,783	8,645	11,314	129	131
<i>Hams, Total</i>	90,193	122,745	96,296	107	78
<i>Bone-in</i>	28,850	36,934	24,233	84	66
<i>Boneless</i>	61,343	85,811	72,063	117	84
<i>Bellies</i>	20,570	49,012	59,210	288	121
<i>Loins, Total</i>	36,361	38,740	39,529	109	102
<i>Bone-in</i>	13,753	14,638	13,079	95	89
<i>Boneless</i>	22,608	24,102	26,450	117	110
<i>Ribs</i>	140,639	131,601	143,964	102	109
<i>Butts</i>	21,925	22,468	20,622	94	92
<i>Trimming</i>	40,087	51,183	56,416	141	110
<i>Other</i>	83,593	97,216	93,534	112	96
<i>Variety Meats</i>	54,430	33,161	35,884	66	108
<i>Unclassified</i>	48,882	55,009	54,279	111	99
<b>Total</b>	<b>545,463</b>	<b>609,780</b>	<b>611,048</b>	<b>112</b>	<b>100</b>
<b><u>Frozen Beef</u></b>					
<i>Boneless</i>	422,572	416,438	426,250	101	102
<i>Beef Cuts</i>	41,429	42,901	37,721	91	88
<b>Total</b>	<b>464,001</b>	<b>459,339</b>	<b>463,971</b>	<b>100</b>	<b>101</b>
<b><u>Other</u></b>					
<i>Veal</i>	16,104	21,158	20,780	129	98
<i>Lamb &amp; Mutton</i>	25,792	28,280	28,615	111	101
<b>Total</b>	<b>41,896</b>	<b>49,438</b>	<b>49,395</b>	<b>118</b>	<b>100</b>
<b>Total Red Meat</b>	<b>1,051,360</b>	<b>1,118,557</b>	<b>1,124,414</b>	<b>107</b>	<b>101</b>
<b><u>Chicken</u></b>					
<i>Broilers, Fryers, Roasters</i>	16,783	14,010	15,641	93	112
<i>Breasts and Breast Meat</i>	178,702	201,579	184,170	103	91
<i>Leg Quarters</i>	113,069	81,746	86,769	77	106
<i>Wings</i>	64,942	70,655	68,351	105	97
<i>Other Chicken</i>	391,177	531,892	516,410	132	97
<b>Total</b>	<b>764,673</b>	<b>899,882</b>	<b>871,341</b>	<b>114</b>	<b>97</b>
<b><u>Turkey</u></b>					
<i>Whole Turkeys</i>	181,215	188,341	218,762	121	116
<i>Turkey Breast</i>	97,176	101,384	100,335	103	99
<i>Other</i>	150,361	137,893	143,775	96	104
<b>Total</b>	<b>428,752</b>	<b>427,618</b>	<b>462,872</b>	<b>108</b>	<b>108</b>
<i>Ducks</i>	5,325	2,697	3,623	68	134
<b>Total Poultry</b>	<b>1,198,750</b>	<b>1,330,197</b>	<b>1,337,836</b>	<b>112</b>	<b>101</b>

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