

**Market letter is included on page 2.**

Monday's U.S. holiday is Memorial Day — a day set aside to honor the nation's war dead. It has become a tradition here at The Daily Livestock Report to include **General Orders No. 11 of the Grand Army of the Republic in our final pre-Memorial Day edition.** It's a message we are proud to feature and that, judging from the e-mails we usually receive, our readers appreciate. The Orders were issued on May 5, 1868 by GAR Commander in Chief John A. Logan and established the first traditions of what is now Memorial Day.

*"The 30th day of May, 1868 is designated for the purpose of strewing with flowers or otherwise decorating the graves of comrades who died in defense of their country during the late rebellion, and whose bodies now lie in almost every city, village and hamlet church-yard in the land. In this observance no form of ceremony is prescribed but posts and comrades will in their own way arrange such fitting services and testimonials of respect as circumstances may permit.*

*We are organized, comrades, as our regulations tell us, for the purpose among other things, "of preserving and strengthening those kind fraternal feelings which have bound together the soldiers, sailors and marines who united to suppress the late rebellion." What can aid more to assure this result than cherishing tenderly the memory of our heroic dead, who made their breasts a barricade between our country and its foes? Their soldier lives were the reveille of freedom to a race in chains, and their deaths the tattoo of rebellious tyranny in arms. We should guard their graves with sacred vigilance. All that the consecrated wealth and taste of the nation can add to their adornment and security is but a fitting tribute to the memory of her slain defenders. Let no wanton foot tread rudely on such hallowed grounds. Let pleasant paths invite the coming and going of reverent visitors and fond mourners. Let no vandalism of avarice or neglect, no ravages of time testify to the present or to the coming generations that we have forgotten as a people the cost of a free and undivided republic.*

*If other eyes grow dull, other hands slack, and other hearts cold in the solemn trust, ours shall keep it well as long as the light and warmth of life remain to us.*

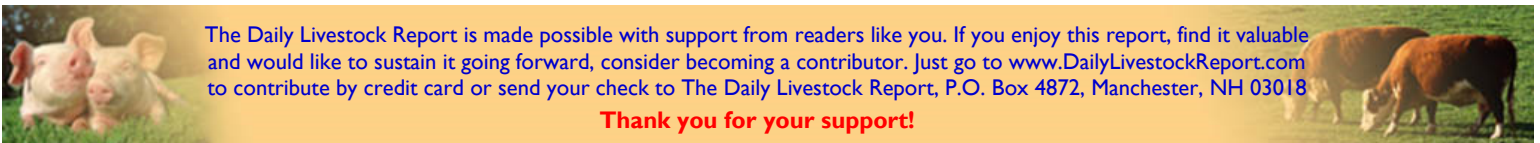
*Let us, then at the time appointed gather around their sacred remains and garland the passionless mounds above them with the choicest flowers of springtime; let us raise above them the dear old flag they saved from dishonor; let us in this solemn presence renew our pledges to aid and assist those whom they have left among us a sacred charge upon a nation's gratitude, the soldier's and sailor's widow and orphan."*



To those who  
courageously gave their lives  
and those who  
bravely fight today

# THANK YOU

We all too often forget the precious price that has been paid for our freedom and the freedom of millions of others worldwide. This year COVID-19 may have changed how communities around the country decide to honor the fallen and those that have contributed to our freedom. But we hope the memorials continue and you find time in your day to pay your respects. **Have a safe, happy and meaningful Memorial Day. And say a prayer of thanks for the sacrifices of so many. How blessed we are because of them.**



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We'll cover the results of the latest USDA 'Cold Storage' report below but two words on weekly exports released yesterday. The report continued to show a significant decline in beef export shipments and sales as well as **a surprise big cancellation of pork exports to China**. This is not a good thing. There is currently a big backlog of hogs on farms and the most efficient and quickest way to clean up some of the backlog is to ship full carcasses to countries like China. The USDA recently published a notice in the Federal Register that it intends to revise the collection process for the weekly export report. [Anyone interested can submit comments and suggestions that "enhance the quality, utility and clarity of the information". See link.](#)

**The combined inventory of beef, pork, chicken and turkey in cold storage at the end of April was estimated at 2.455 billion pounds, 2.1% higher than a year ago and 3.7% higher than the five year average.** The combined month end inventory of the four main species increased by 1.2% from March levels. This compares to an average increase of 2.8% in the last five years. Coming into this report there was a lot of speculation that high prices would result in a sharp pullback in cold storage. That was not the case, possibly because the sharp decline in foodservice demand may have prevented those processors that service that segment of the market found it very difficult to clear their inventory. The big spike in prices was a result of lower slaughter and limited retail supplies. Frozen inventories could do little to ease spot retail shortages. Below is a review of key numbers by species.

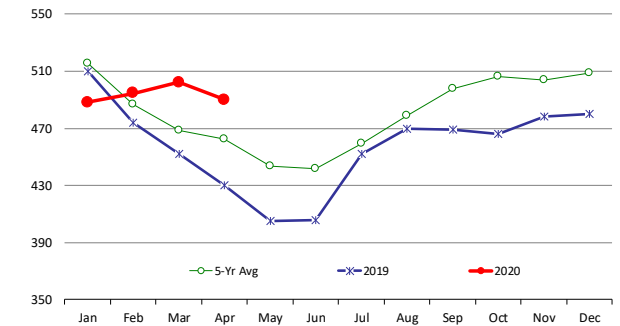
The total supply of beef in cold storage at the end of April was 490.0 million pounds, 13.9% higher than a year ago and 6.0% higher than the five year average. Boneless beef inventories at 459.2 million pounds were 15.8% higher than a year ago. We see the increase in boneless beef inventories as a direct result of the slowdown in foodservice demand. Inventories of beef cuts were down 8.4% from a year ago and 12.7% lower than the previous month. Prices for beef cuts were sharply higher in April, resulting in a higher drawdown of frozen cuts, likely going to support processing needs. However, beef cuts represent a relatively small share of the supply of beef in cold storage. The price of 50CL boneless beef has increased sharply so far in May and we would expect to see a more significant drawdown in boneless beef stocks by the end of this month.

**Pork inventory in cold storage was estimated at 614.8 million pounds, 1.1% lower than a year ago and 3.5% lower than the five year average.** Belly inventories were 32.3% higher than a year ago and 33.8% higher than the five year average. Inventories at the end of April were up 3% from a month ago compared to an average increase of 11% in the last five years. Normally belly inventories increase in the spring as end users get ready for summer demand. This year belly freezer inventories were already quite large and the slowdown in foodservice demand made it difficult for processors to work down some of these stocks. Recently belly prices spiked but it should be noted that the increase mostly happened after May 1. Belly prices in mid April were still in the low 50s and prices finally climbed over \$100/cwt in late April. We think there was some inventory drawdown in the first two weeks of May as prices quickly climbed over \$200/cwt. Ham inventories were 5.7% lower than a year ago. Ham inventories in April increased 30% from the previous month compared to an average 26% increase in the last five years. High loin prices at retail appear to have resulted in a larger than normal drawdown in loin inventories.

**The supply of chicken in cold storage was 933.6 million pounds, 6.0% higher than a year ago and 14.0% higher than the five year average.** Strong exports in March appear to have resulted in a larger than normal drawdown in leg quarter inventories. However, the collapse in foodservice demand resulted in boneless/skinless chicken breasts to increase 8% from a month ago and now 33% higher than last year's levels. Turkey inventory at 417 million pounds, 11.6% lower than a year ago and 6.5% lower vs. 5-yr average

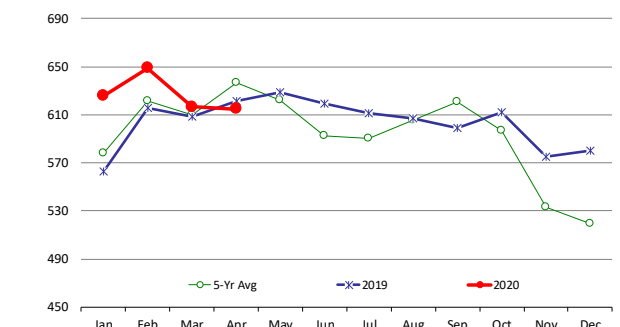
**All Beef In Cold Storage at End of Month**

Million Pounds. Source: USDA-NASS



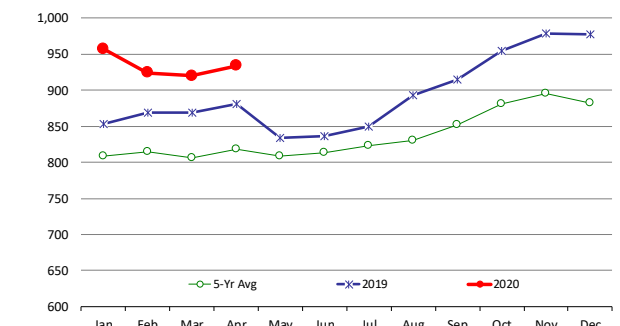
**All Pork In Cold Storage at End of Month**

Million Pounds. Source: USDA-NASS



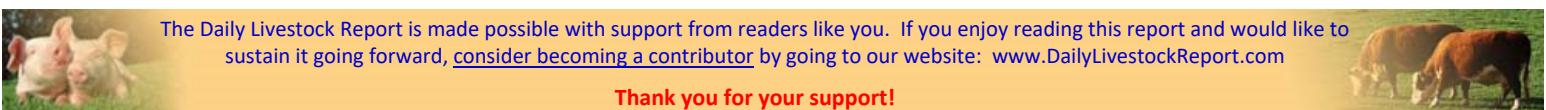
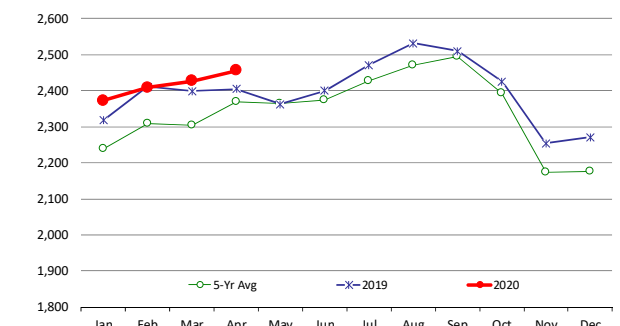
**All Chicken In Cold Storage at End of Month**

Million Pounds. Source: USDA-NASS



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

Million Pounds. Source: USDA-NASS



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## USDA STOCKS IN COLD STORAGE REPORT

COMMODITY	Stocks in All Warehouses			Percent Of	
	30-Apr-19	31-Mar-20	30-Apr-20	Apr-19	Mar-20
	<b>1,000 Pounds</b>				
<b>Frozen Pork</b>					
<i>Picnics, Bone-In</i>	9,926	10,807	13,332	134	123
<i>Hams, Total</i>	121,331	88,308	114,433	94	130
<i>Bone-in</i>	29,606	25,090	33,049	112	132
<i>Boneless</i>	91,725	63,218	81,384	89	129
<i>Bellies</i>	61,110	78,157	80,870	132	103
<i>Loins, Total</i>	43,125	46,326	41,812	97	90
<i>Bone-in</i>	18,999	19,260	19,188	101	100
<i>Boneless</i>	24,126	27,066	22,624	94	84
<i>Ribs</i>	146,859	132,658	116,064	79	87
<i>Butts</i>	21,164	27,615	26,404	125	96
<i>Trimmings</i>	48,237	59,572	57,748	120	97
<i>Other</i>	81,809	78,100	73,290	90	94
<i>Variety Meats</i>	31,946	38,132	30,286	95	79
<i>Unclassified</i>	55,949	57,059	60,572	108	106
<b>Total</b>	<b>621,456</b>	<b>616,734</b>	<b>614,811</b>	<b>99</b>	<b>100</b>
<b>Frozen Beef</b>					
<i>Boneless</i>	396,550	466,995	459,157	116	98
<i>Beef Cuts</i>	33,672	35,324	30,842	92	87
<b>Total</b>	<b>430,222</b>	<b>502,319</b>	<b>489,999</b>	<b>114</b>	<b>98</b>
<b>Other</b>					
<i>Veal</i>	5,463	5,119	5,439	100	106
<i>Lamb &amp; Mutton</i>	40,949	37,575	37,864	92	101
<b>Total</b>	<b>46,412</b>	<b>42,694</b>	<b>43,303</b>	<b>93</b>	<b>101</b>
<b>Total Red Meat</b>	<b>1,098,090</b>	<b>1,161,747</b>	<b>1,148,113</b>	<b>105</b>	<b>99</b>
<b>Chicken</b>					
<i>Broilers, Fryers, Roasters</i>	18,037	20,146	22,545	125	112
<i>Breasts and Breast Meat</i>	184,136	226,521	244,948	133	108
<i>Leg Quarters</i>	60,214	81,021	75,127	125	93
<i>Wings</i>	61,621	53,678	53,409	87	99
<i>Other Chicken</i>	557,047	538,735	537,556	97	100
<b>Total</b>	<b>881,055</b>	<b>920,101</b>	<b>933,585</b>	<b>106</b>	<b>101</b>
<b>Turkey</b>					
<i>Whole Turkeys</i>	230,033	163,058	180,710	79	111
<i>Turkey Breast</i>	111,557	93,401	100,916	90	108
<i>Other</i>	130,002	131,044	135,406	104	103
<b>Total</b>	<b>471,592</b>	<b>387,503</b>	<b>417,032</b>	<b>88</b>	<b>108</b>
<i>Ducks</i>	4,224	3,412	5,858	139	172
<b>Total Poultry</b>	<b>1,356,871</b>	<b>1,311,016</b>	<b>1,356,475</b>	<b>100</b>	<b>103</b>

