Daily Livestock Report

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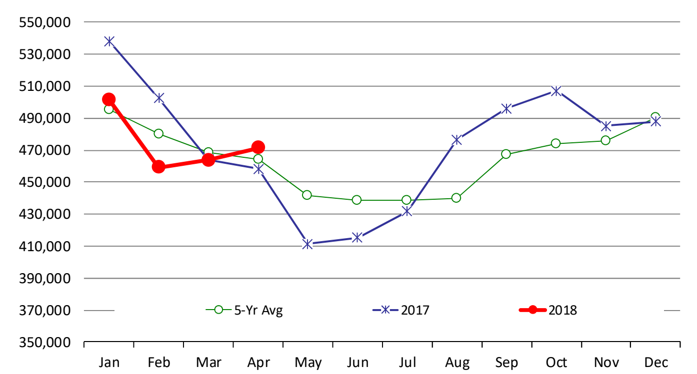
The inventory of **beef, pork, chicken and turkey in cold storage at the end of April was estimated at 2.472 billion pounds, 6.7% higher than a year ago and 9.7% higher than the five year average**. Inventories in April increased 2.6% compared to the previous month while on average in the last five years April inventories have increased by 4.3%. Larger cold storage stocks and higher production in May/Jun/Jul should help moderate price inflation across the category.

The inventory of **boneless beef at the end of April was 434.8 million pounds, 4.6% higher than a year ago and 2.9% higher than the five year average**. Higher prices for fat beef trimmings last year likely caused some end users to accumulate product to cover their needs in May, ahead of seasonal retail demand. Beef imports have also increased, which may have bolstered the supply of beef in cold storage. Boneless beef inventory in the Middle Atlantic region, which covers the port of Philadelphia, was 142 million pounds at the end of April, 15% higher than a month ago. On the other hand, inventories in East and West North Central, where many packing plants are located, were down 2% and 6%, respectively vs. March levels.

There is more pork in cold storage compared to a year ago but the inventory build has been in line with what we have seen in recent years. Still, with more pork expected to come to market in late spring and summer, and softer export demand, **the larger inventory may temper the seasonal price increases we see during this time of year**. Ham inventory was 112.3 million pounds, 0.5% higher than last year and 4.5% lower than the five year average. Ham inventories increased 16.5% vs. the previous month compared to a 25% average increase we have seen in the last five years. Ham prices have been quite weak recently and we think in part this is due to a lower than normal inventory build. With record pork supplies expected later in the year, end users are reluctant to put hams in cold storage at this time. The lower inventory build may also suggest a slowdown in export business. As a result, packers have had to keep lowering ham prices in order to induce processors to take more and/or convince traders and other domestic end users to take hams off their hands. Pork belly inventories were 64.6 million pounds, 92.5% higher than a year ago but just 2% higher than the five year average. Current belly stocks are more in line with normal levels. With the belly primal trading in the mid-80s back in April it appears processors were willing to accumulate inventory ahead of summer demand. Inventories in April rose 9% compared to the previous month while in the last five years inventory build averaged 11%. Again, we don't see anything out of the normal here. Indeed, it was last year that was an aberration. Pork trim prices have been weak and it appears more product has ended up in the freezer. Combined with the weak ham prices, we think this will continue to keep pork trim values in check as we go into the high demand summer months. **Total trim inventory at the end of April was 57.5 million pounds, 41.6% higher than a year ago and 13% above the five year average**. Trim inventories in April rose 2% compared to the previous month when on average they tend to decline during this period.

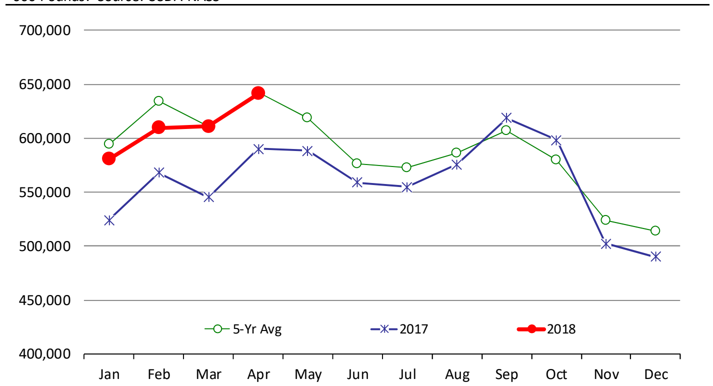
All Beef In Cold Storage at End of Month

'000 Pounds. Source: USDA-NASS



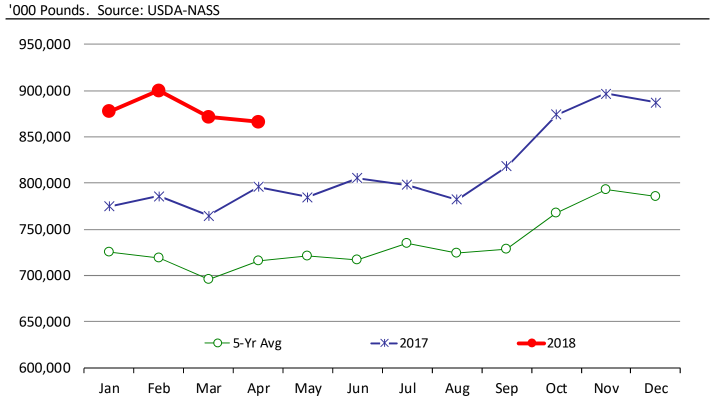
All Pork In Cold Storage at End of Month

'000 Pounds. Source: USDA-NASS



All Chicken In Cold Storage at End of Month

'000 Pounds. Source: USDA-NASS



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USDA STOCKS IN COLD STORAGE REPORT

COMMODITY	Stocks in All Warehouses			Percent Of	
	30-Apr-17	31-Mar-18	30-Apr-18	Apr-17	Mar-18
		1,000 Pounds			
Frozen Pork					
Picnics, Bone-In	7,210	11,314	10,095	140	89
Hams, Total	112,815	96,337	112,275	100	117
Bone-in	36,689	24,233	24,050	66	99
Boneless	76,126	72,104	88,225	116	122
Bellies	33,536	59,202	64,563	193	109
Loins, Total	42,872	39,547	40,386	94	102
Bone-in	16,365	13,076	12,935	79	99
Boneless	26,507	26,471	27,451	104	104
Ribs	136,875	143,955	145,049	106	101
Butts	21,264	20,629	20,904	98	101
Trimmings	40,613	56,318	57,521	142	102
Other	88,858	93,548	93,170	105	100
Variety Meats	54,471	35,875	36,405	67	101
Unclassified	51,810	54,278	61,039	118	112
Total	**590,324**	**611,003**	**641,407**	**109**	**105**
Frozen Beef					
Boneless	415,592	426,250	434,782	105	102
Beef Cuts	42,826	37,721	36,763	86	97
Total	**458,418**	**463,971**	**471,545**	**103**	**102**
Other					
Veal	15,383	20,780	20,025	130	96
Lamb & Mutton	28,603	28,615	33,992	119	119
Total	**43,986**	**49,395**	**54,017**	**123**	**109**
Total Red Meat	**1,092,728**	**1,124,369**	**1,166,969**	**107**	**104**
Chicken					
Broilers, Fryers, Roasters	21,761	15,641	14,152	65	90
Breasts and Breast Meat	186,900	184,170	181,392	97	98
Leg Quarters	116,017	86,768	89,984	78	104
Wings	61,818	68,350	71,896	116	105
Other Chicken	409,398	516,383	508,817	124	99
Total	**795,894**	**871,312**	**866,241**	**109**	**99**
Turkey					
Whole Turkeys	217,096	218,762	247,965	114	113
Turkey Breast	105,780	100,335	102,455	97	102
Other	148,608	143,802	142,839	96	99
Total	**471,484**	**462,899**	**493,259**	**105**	**107**
Ducks	3,872	3,623	3,620	93	100
Total Poultry	**1,271,250**	**1,337,834**	**1,363,120**	**107**	**102**