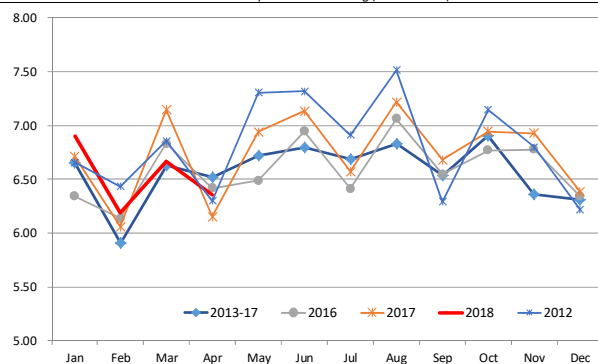


**The export data released yesterday provides the last missing piece to calculate domestic supply availability for April.** This may seem like a fancy calculation that economists like to throw around just to make things complicated but in reality it is **a good reality check**. One of the most visible numbers for market participants is the number of cattle or hogs coming to market. USDA reports slaughter estimates on a daily basis and market participants pay close attention to cattle on feed reports and hog inventory counts to estimate total supplies. But **just because there are more cattle and hogs around does not necessarily mean that more product is getting in front of the consumer.** To know that we need to adjust the production data by first accounting for the amount that gets comes in or gets out of the country; then account for normal population growth; and finally adjusted by the change in ending stocks. Only after we have jumped through these hoops will we know if more beef, pork or chicken was consumed and how much prices had to adjust in order get consumers to eat all this product. You will note in the attached chart that we talk about **disappearance rather than consumption**. It strikes us as **a more accurate term**. After all we don't know if it all got consumed. Some of it probably went into the home freezer, some of it got cooked and half was thrown away, some of it may have been converted into a prepared product for sale later. What we do know is that this supply no longer is available for sale in its current form. It "disappeared". In the case of beef, we think per capita disappearance in April was 6.35 pounds on a carcass weight basis, 3.2% higher than the previous year. However, this was mostly due to a calendar fluke. There was 1 additional slaughter day which resulted in more production than the previous year. If we were to adjust for this, then per capita beef disappearance would be under last year. In the first four months of the year per capita disappearance has been a total of 26.11 pounds per person compared to 26.07 pounds a year ago. **For all the talk of large beef supplies coming to market, the reality is that the amount available to the consumer through the end of April was only marginally higher than it was the previous year.** But beef supplies are up, more cattle are coming to market, what gives? More beef has been produced this year than last. Through April beef production was up 315 million pounds (+3.8%). However, during this time we exported 114 million pounds more (+13.2%) and we imported just 8 million additional pounds. Additionally, we started the year with a lot less beef around than we did back in 2017. Finally, always remember that each year there are more mouths to feed than the year before. It is true, more cattle will be marketed this summer. But watch out for those trade numbers, account for freezer inventories and remember population growth.

Pork disappearance was higher than a year ago in April, in part because of the calendar discrepancy but also because producers had to push more pork through domestic channels. Per capita pork disappearance in April, on a carcass wt. basis, calculates to 5.04 pounds per person, 5.8% higher than a year ago. Adjusting for the extra day gives us a 0.8% increase. Through the first four months of the year pork production increased by 389 million pounds (+4.6%). Exports were also higher by 169 million pounds (+8.9%) while imports were up 18 million

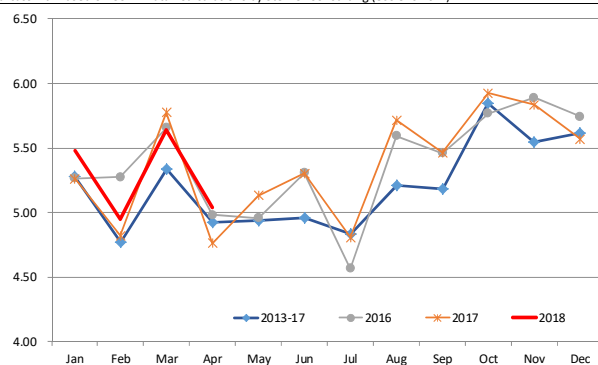
## Monthly Per Capita Domestic Beef Disappearance (CWE)

Carcass wt. Based on USDA Data. Calculations by Steiner Consulting (800.526.4612)



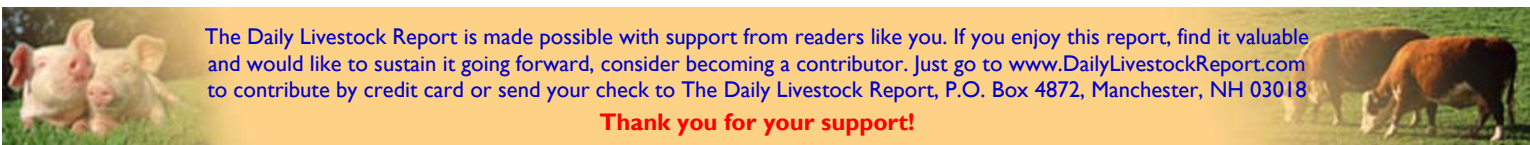
## Monthly Per Capita Domestic Pork Disappearance (CWE)

Carcass wt. Based on USDA Data. Calculations by Steiner Consulting (800.526.4612)



pounds (+4.9%). Different from beef, we started the year with more pork in cold storage so pork did not have the benefit of lower inventories that beef did. After adjusting for population and freezer stocks, we calculate that per capita pork disappearance in the first four months of the year was 21.1 pounds per person (cwe), 2.4% higher than a year ago. May started with more pork in the freezer and supplies are expected to run above year ago through the summer and fall. Which makes that export component so critical, otherwise that per capita disappearance number will just get bigger, implying lower prices needed to get consumers to eat it all.

**PS: Thank you to everyone that has responded to our call for annual funding support in recent days. For those that have yet to contribute you can do so by either calling us at 800.526.4612 or sending an email to: [len@steinerconsulting.com](mailto:len@steinerconsulting.com)**



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