

Mainstream media made headlines ahead of the cold storage report touting that meat piles would be record large in cold storage this month, measuring a whopping 2.5 billion pounds citing production growth and export drag as the culprits.

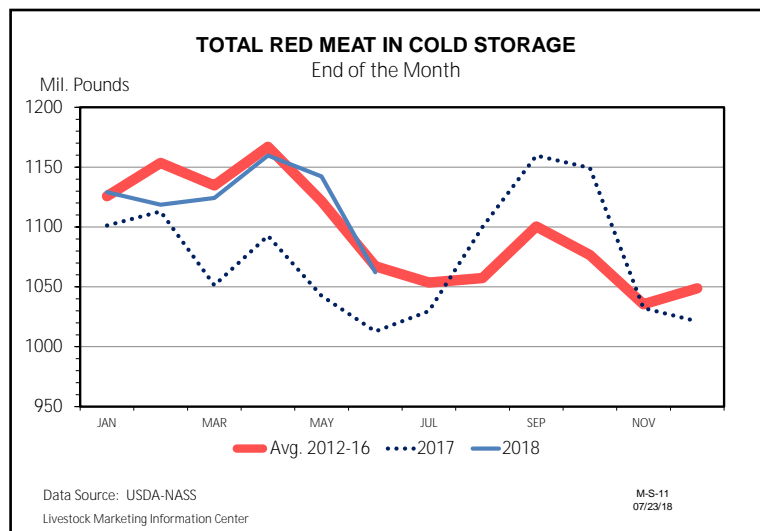
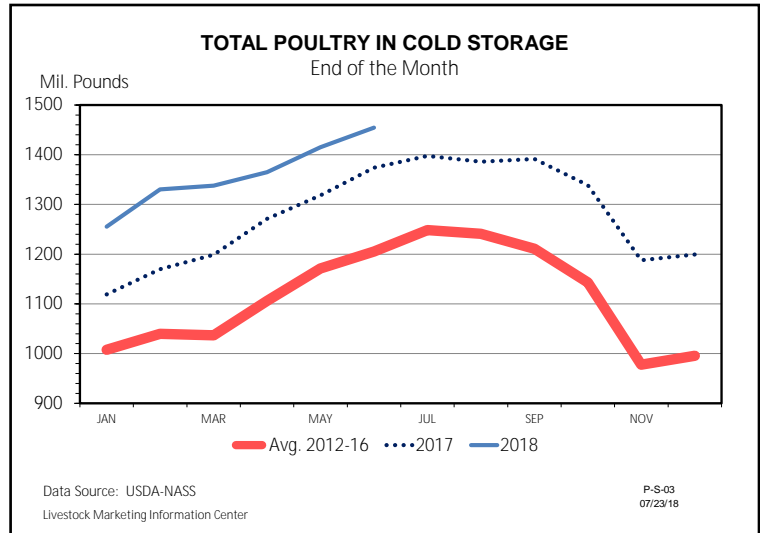
Monday's [Cold Storage](#) report delivered a healthy reminder to the market that prices adjust and that these issues are complicated. While we admit, greater supplies of meat and poultry certainly weigh on prices it seemed like an odd headline given the industry was already at peak levels. The previous cold storage record for total meat and poultry in a single month was set last month and the previous record was in September of 2017. Total red meat and poultry inventory has been above 2.5 billion pounds for the last three consecutive months.

Total red meat in cold storage fell in the month of June to just over 1 billion pounds, declining 80 million pounds from the month of May. The last record set for red meat was in April of 2013 at 1.2 billion.

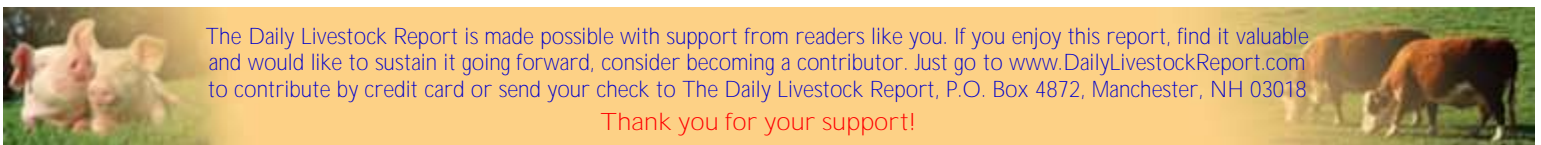
Total poultry in cold storage did increase, up 6% from last year and climbed 3% compared to the previous month to land at 1.5 billion pounds. The record for total poultry in cold storage was set in July of 2002 at 1.6 billion pounds.

Poultry stocks have been building all year, which is seasonally on trend, but certain products have been adding volumes. Cold Storage tracks eight chicken cuts, five of which are showing larger inventories than last year but none of which have hit records in the last three months. All five of these products are showing larger supplies in excess of 20% above a year ago and some as high as 93% in the month of June.

June cold storage also wraps up the second quarter for this year. This story may return later in the year as third quarter forecasts for broiler production are expected to be record large in the third quarter of this year. Given the trade woes, much of the increase is likely to end up in cold storage, LMIC forecasts third quarter chicken in cold storage to climb 10-15% higher over June's cold storage number, which would be a new record high for frozen broiler inventory.



Pork inventory is working efficiently at the moment and June saw a stable figure despite trade and production growth. Beef did not fair as well and climbed 8% from 2017's number. Veal and sheep meat also added to inventory up 22% and 48% above the previous year.



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