

USDA NASS released the Cold Storage report yesterday which showed pork supplies continue to move very efficiently through the system. Total pork in cold storage was virtually unchanged from the prior month. This marks the fifth month in a row that stocks have been more than 20% below a year ago and largely ignored seasonal trends.

Pork bellies reported the lowest levels relative to last year, down 39% in September. Bone-in hams and loins are each more than 25% below the prior year. Other products are down 6-25%, with the exception of boneless loins and butts. Those categories are higher than 2019 by 29% and 6%, respectively.

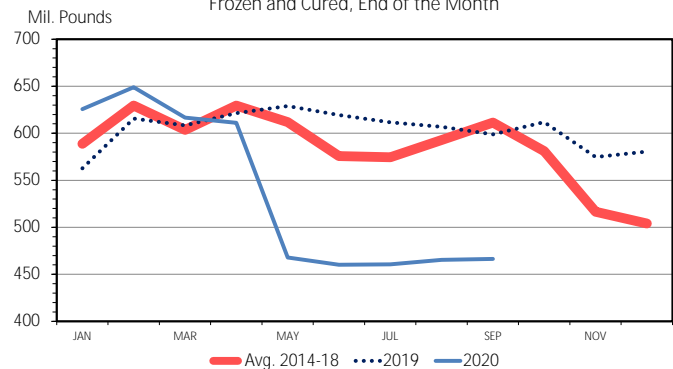
The latest advanced sales data suggested restaurant sales are continuing to be sluggish, down 11% in September, and still off 20% in the first 9 months of the year. Domestic retail consumption has been strong, but perhaps not enough to offset restaurant closures. With monthly trade data just released for August, we turn to pork export sales on the cut side to provide insights into cold storage.

USDA AMS tracks weekly [pork cuts— export sales](#) which sheds some light on the export volume questions. This report does not include export shipments to Canada or Mexico. Still, volumes of pork export sales by primal show an exceptionally strong 3rd quarter. Pork cuts from the belly, rib, and ham primal are up over 100% each compared to 2019 third quarter. Belly cuts lead the way up 143% in the third quarter, followed by rib cuts 130% and ham cuts up 104%. Loin cut volumes are up as well up 32% and variety meat volumes increased 63%. These percentages largely match the directional shifts seen in the last cold storage report, but the first few weeks of October, show exports of pork cuts outside North America waned considerably compared to a year ago. October metrics indicate across most of the primals, pork cut exports are down significantly in the first 3 weeks of October year over year. However, October 2019 had some extraordinarily high volume weeks. Pork cuts from the loin had a record week in October 2019, topping 24 million pounds. Cuts from rib, and ham also set records then, along with trimmings and variety meat export sales. The change in cold storage ahead of October 2019 is slight, as is the reflective change in September 2020 ahead of what appears to be lower pork cut export sales compared to last year.

Other cold storage highlights: Total beef increased slightly, though boneless cuts faded slightly from the year before, beef cuts increased. Veal in cold storage is still very heavy without the fine dining outlets receiving much consumer traffic, its up 62% from last year. Lamb on the other hand is down 25%, but that can be linked back to much lower production volume due to a slaughter plant bankruptcy closure. A new lamb plant has started running small volumes and we should expect to see lamb in cold storage gain heading towards Easter.

PORK IN COLD STORAGE

Frozen and Cured, End of the Month



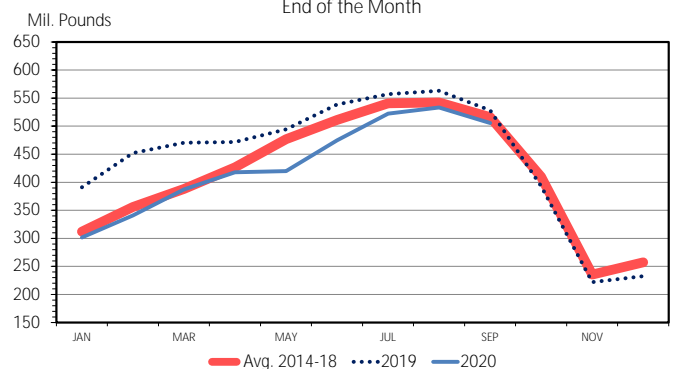
Data Source: USDA-NASS
Livestock Marketing Information Center

M-S-10
10/22/20

Poultry in cold storage has two stories. The whole turkey market remains tight heading into Thanksgiving. Whole birds in cold storage is down 12%. Total turkey though is down only 4%. Unclassified turkey has the highest gains compared to last year up 22%. Chicken in cold storage is down slightly (-3%) from a year ago. The back half of the bird continues to struggle to move volumes. Legs, leg quarters and thighs all are posting year-over-year increases in September freezer inventories. Thighs and thigh quarters have the largest percent change up 117% from a year ago. Legs are up 65% and leg quarters are up 5%. Breast meat in cold storage has elevated as well up 17% from last year, and gained 6% on last month. This is the largest month over month gain since April.

TURKEY IN COLD STORAGE

End of the Month



Data Source: USDA-NASS
Livestock Marketing Information Center

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