



*From all of us at
CME Group, Paragon Economics and Steiner Consulting Group:
You, our readers, are among the many things we are most
thankful for this holiday season. We appreciate you so much!
Have a wonderful Thanksgiving!*

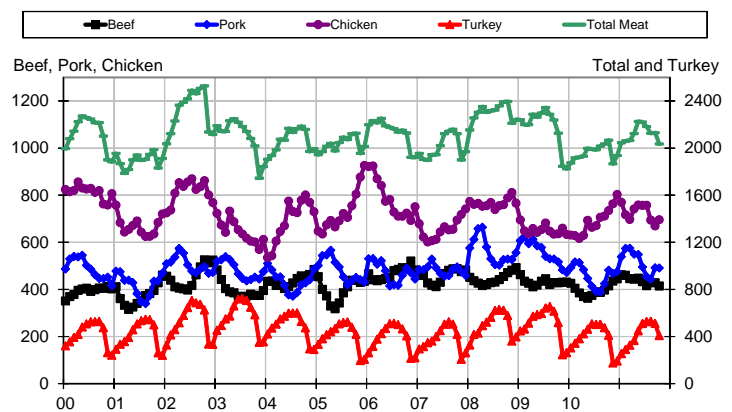
Another reminder: CME Livestock futures and options will close at 12:15 CT on Friday, November 25. The full Globex Thanksgiving Holiday Schedule can be found at <http://www.cmegroup.com/tools-information/holiday-calendar/files/2011-thanksgiving.pdf>. Modified settlement times for Friday, November 25 can be found at http://www.cmegroup.com/tools-information/holiday-calendar/files/Thanksgiving_Settlement_Times_2011.pdf.

USDA's monthly Cold Storage report, released Tuesday indicates that the total inventory of frozen meat and poultry as of October 31 was smaller than both last month and last year. Detailed data from the report appear in the table on page 2. Some key features are:

- Total meat and poultry in freezers on October 31 amounted to 2.034 billion pounds, 4.4% smaller than on September 30 and 1.6% smaller than one year ago. This is the closest that freezer inventories have gotten to the 2 billion pound level this year after spending much of last year below 2 billion pounds.
- The decline in frozen stocks was led, as one would expect in October, by a sharp reduction in turkey inventories to 407.167 million pounds, 20% lower than at the end of September and 3.7% lower than last year. The normal further reduction of inventories in November will likely draw turkey stocks down to under 200 million pounds.
- Chicken inventories were 5.3% lower than one year ago but INCREASED in October by 26 million pounds or 3.9%. That increase in chicken stocks does not bode well given that production during October, based on weekly data, was DOWN 6.9%.
- Chicken leg products were the main contributor to the October increase in freezer stocks, growing by just over 28 million pounds or 20% from the end of September. When placed against the dramatic (at least by chicken industry standards!) year-on-year reduction in production, this increase in leg product stocks suggest that October chicken exports were soft to say the least.
- Breast and breast meat stocks remain sharply larger (26.9%) than last year but were steady for the month. But again — versus a nearly 7% reduction in production, steady inventories

MEAT IN COLD STORAGE

Million Lbs., Product Weight



provide little encouragement regarding product movement.

- Pork inventories actually declined in October by 0.2% from their September 30 level. That's not unheard of but is still pretty unusual (3 times in the past 12 years) given that October is usually the peak month for pork production due to seasonally larger hog supplies and there being no holidays during the month. Inventories of 490.695 million pounds were 1.9% larger than one year ago.
- Belly inventories led the year-on-year decline in percentage terms (-63%) and were second in tonnage terms (-14.637 million pounds). Ham inventories were 13.2% lower than one year ago at 134.125 million pounds. That figure is over 20 million pounds lower than one year ago. Stocks of all other cuts except variety meats were higher than last year.
- Hams—as expected — accounted for nearly all of the October reduction in frozen pork stocks, falling by nearly 30 million pounds (18%) from September 30.
- Beef inventories of 414.215 million pounds were virtually even with one year ago and were 3.1% lower than last month. Stocks of boneless beef were 2.5% higher than one year ago.

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USDA Cold Storage Report November 22, 2011

	Quantity (Thousand Pounds)			Current as pct. of:	
	10/31/10	9/30/11	10/31/11	10/31/10	9/30/11
Chicken	-----Thous. Lbs.-----				
Whole Chickens	15877	16,081	14,392	90.6	89.5
Hens, Mature Chickens	2006	7,855	3,577	178.3	45.5
Breasts & Breast Meat	103848	131,541	131,786	126.9	100.2
Drumsticks	23675	17,181	24,528	103.6	142.8
Leg Quarters	119147	87,227	106,325	89.2	121.9
Legs	23442	9,597	9,450	40.3	98.5
Thigh & Thigh Quarters	11952	8,360	9,877	82.6	118.1
Thigh Meat	20224	20,142	20,444	101.1	101.5
Wings	55071	51,240	51,039	92.7	99.6
Paws and Feet	32288	22,240	24,664	76.4	110.9
Other	327010	298,032	299,413	91.6	100.5
Total Chicken	734,540	669,496	695,495	94.7	103.9
Turkey					
Whole Turkeys	242,209	279,542	208,621	86.1	74.6
Toms (Whole)	145,758	154,951	116,828	80.2	75.4
Hens (Whole)	96,451	124,591	91,793	95.2	73.7
Breasts	41,156	52,608	38,852	94.4	73.9
Legs	7,653	10,539	15,505	202.6	147.1
Mech. Deboned Turkey	7,230	6,089	9,344	129.2	153.5
Other Turkey	25,730	43,350	36,833	143.2	85.0
Unclassified	86,183	117,522	98,012	113.7	83.4
Total Turkey	410,161	509,650	407,167	99.3	79.9
Ducks	3,422	5,085	3,520	102.9	69.2
Total Poultry	1,148,123	1,184,231	1,106,182	96.3	93.4

	Quantity (Thousand Pounds)			Current as pct. of:	
	10/31/10	9/30/11	10/31/11	10/31/10	9/30/11
Frozen Pork	-----Thous. Lbs.-----				
Picnics, Bone-in	6,108	9,293	8,381	137.2	90.2
Hams, Total	154,527	163,789	134,125	86.8	81.9
Bone-in	86,194	90,895	72,931	84.6	80.2
Boneless 3/	68,333	72,894	61,194	89.6	83.9
Bellies	23,248	9,297	8,611	37.0	92.6
Loins, Total	23,469	26,077	31,359	133.6	120.3
Bone-in	7,551	7,487	10,043	133.0	134.1
Boneless 4/	15,918	18,590	21,316	133.9	114.7
Ribs 5/	54,023	45,339	58,797	108.8	129.7
Butts	12,564	19,150	18,788	149.5	98.1
Trimblings 6/	37,190	37,058	37,437	100.7	101.0
Other 7/	86,074	100,715	104,536	121.4	103.8
Variety Meats 8/	33,554	30,620	32,818	97.8	107.2
Unclassified 9/	50,896	50,572	55,843	109.7	110.4
Total Pork	481,653	491,910	490,695	101.9	99.8
Frozen Beef					
Boneless 1/	347,870	365,268	356,523	102.5	97.6
Beef Cuts 2/	66,777	62,322	57,692	86.4	92.6
Total Beef	414,647	427,590	414,215	99.9	96.9
Other Meat					
Veal	6,117	3,160	3,641	59.5	115.2
Lamb & Mutton	16,189	22,218	19,672	121.5	88.5
Total Other Meat	22,306	25,378	23,313	104.5	91.9
Total Meat	918,606	944,878	928,223	101.0	98.2

	10/31/10	9/30/11	10/31/11	10/31/10	9/30/11
Total Meat & Poultry	2,066,729	2,129,109	2,034,405	98.4	95.6

1/ Includes all boxed boneless beef, such as ground beef, roasts, steaks, loins, strips, rounds, trimmings, etc. Variety meats (edible offal), such as tongues, livers, hearts, kidneys and other organs removed from slaughtered beef are included as miscellaneous freezer stocks. 2/ Includes all boxed primal beef cuts, bone-in. 3/ Includes full ham, bone removed and individual muscles separated. 4/ Includes pork tenderloins.
 5/ Includes spareribs and backribs. 6/ Includes 42% regular trimmings, 72% special trimmings, boneless picnic meat, jowls, neckbone trimmings, blade, cheek, head and shank meat, etc. Packaged bacon, sausage, and processed items such as hot dogs and luncheon meats, are included in miscellaneous cooler or freezer stocks. 7/ Includes ears, tails, feet, neckbones and snouts. 8/ Includes tongues, kidneys, livers, stomachs, hearts, chitterlings, salivary glands, and other organs. 9/ Includes product unable to be classified elsewhere in this report.

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