Daily Livestock Report

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The latest cold storage data remains supportive for meat prices, pointing to overall tight freezer supplies and the need on the part of end users to improve inventory positions ahead of the seasonal rebound in demand in the spring. Below is a brief recap of highlights for the top three proteins.

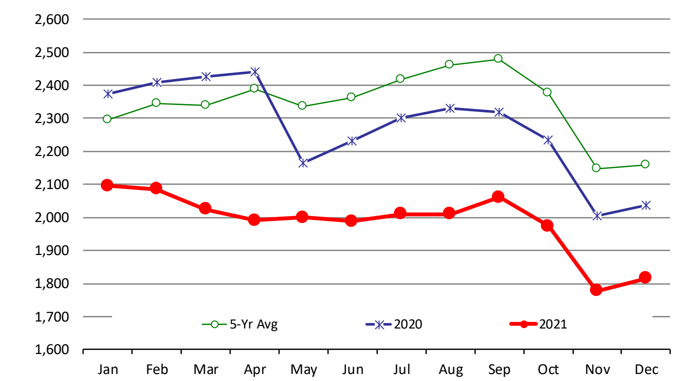
Beef: The total supply of beef in cold storage at the end of December was estimated at 503.8 million pounds, **6% lower than a year ago and 1.9% lower than the five year average**. We continued to see the seasonal improvement in freezer stocks that we see in November and December, just from a lower base. Inventories in December were 2.7% higher than the previous month compared to an average 1.9% increase in the last five years. Inventory of beef cuts was estimated at 39.4 million pounds, 7.8% higher than a year ago and 6.1% higher than the five year average. Faced with rising inflation, end users remain intent on having some product around them hence the larger inventories. Higher exports and a slowdown in exports to Asia has likely contributed to the increase in freezer stocks as well. Boneless beef inventory at the end of December was 464.3 million pounds, 7% lower than a year ago.

Pork: Pork supplies in the freezer remain tight, and combined with lower slaughter to start the year this continues to support pork cutout values. The inventory of all pork items in cold storage at the end of December was 493.9 million pounds, 4**.1% lower than a year ago and 19.1% lower than the five year average**. December inventory declined 0.8% from the previous month compared to an average drawdown of 2.2% in the last five years. Ham inventories normally decline in December and that was the case this year. At the end of December ham inventory was estimated at 63.8 million pounds, 18.9% higher than last year but 12% below the five year average. Ham inventories declined 16.9% from the previous month compared to an average drawdown of 25% in the last five years. This was not a particularly positive number for hams but overall freezer stocks remain limited. Processors and packers likely used the price decline in December to bolster inventories. At the end of December the inventory of bellies in storage was 39.5 million pounds, 28.6% higher than a year ago and now back at the same level as the five year average. Seasonally we see belly inventories continue to increase in Q1 as processors prepare for spring/summer demand. It remains to be seen if that continued in January given the recent runup in belly prices. Inventory of pork loins in the freezer at the end of December was 39 million pounds, 5.7% lower than a year ago and 7.4% lower than the five year average.

Poultry: Chicken inventories continue to be tight, especially the inventory of chicken breasts. The supply of whole broilers was 12.2 million pounds, 15.5% lower than a year ago and 23.6% lower than the five year average. **The inventory of chicken boneless breasts was 152.6 million pounds, 41% lower than a year ago and 27% lower than the five year average**.

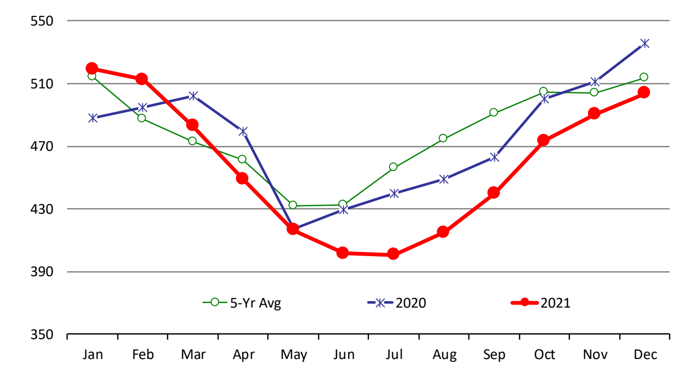
Combined Beef, Pork, Chicken and Turkey in Cold Storage at End of Month

Million Pounds. Source: USDA-NASS



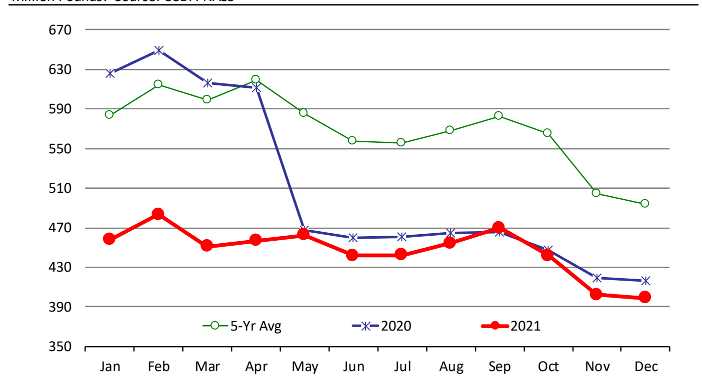
All Beef In Cold Storage at End of Month

Million Pounds. Source: USDA-NASS



All Pork In Cold Storage at End of Month

Million Pounds. Source: USDA-NASS



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USDA STOCKS IN COLD STORAGE REPORT

COMMODITY	Stocks in All Warehouses			Percent Of	
	31-Dec-20	30-Nov-21	31-Dec-21	Dec-20	Nov-21
		1,000 Pounds			
Frozen Pork					
Picnics, Bone-In	7,465	6,080	6,362	85	105
Hams, Total	53,675	76,788	63,833	119	83
Bone-in	12,265	34,155	20,379	166	60
Boneless	41,410	42,633	43,454	105	102
Bellies	30,715	25,224	39,496	129	157
Loins, Total	38,261	38,522	36,096	94	94
Bone-in	8,304	11,768	11,178	135	95
Boneless	29,957	26,754	24,918	83	93
Ribs	84,142	75,597	78,153	93	103
Butts	16,748	17,113	16,856	101	98
Trimmings	46,269	48,979	51,285	111	105
Other	63,804	50,533	46,436	73	92
Variety Meats	24,895	21,287	19,268	77	91
Unclassified	49,961	42,066	41,162	82	98
Total	**415,935**	**402,189**	**398,947**	**96**	**99**
Frozen Beef					
Boneless	499,306	451,639	464,345	93	103
Beef Cuts	36,598	38,775	39,447	108	102
Total	**535,904**	**490,414**	**503,792**	**94**	**103**
Other					
Veal	9,375	4,283	3,577	38	84
Lamb & Mutton	24,911	23,487	22,140	89	94
Total	**34,286**	**27,770**	**25,717**	**75**	**93**
Total Red Meat	**986,125**	**920,373**	**928,456**	**94**	**101**
Chicken					
Broilers, Fryers, Roasters	14,431	14,389	12,189	84	85
Breasts and Breast Meat	257,108	155,065	152,630	59	98
Leg Quarters	68,393	77,154	77,647	114	101
Wings	42,916	73,751	73,162	170	99
Other Chicken	480,588	424,502	426,117	89	100
Total	**863,436**	**744,861**	**741,745**	**86**	**100**
Turkey					
Whole Turkeys	59,006	38,753	63,206	107	163
Turkey Breast	61,974	23,381	24,383	39	104
Other	102,044	77,536	83,462	82	108
Total	**223,024**	**139,670**	**171,051**	**77**	**122**
Ducks	2,857	2,814	2,375	83	84
Total Poultry	**1,089,317**	**887,345**	**915,171**	**84**	**103**