Daily Livestock Report

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The combined inventory of **beef, pork, chicken and turkey** in cold storage at the end of December was estimated at 2.029 billion pounds, **10.6% lower than the previous year**. The January WASDE report pegged the combined inventory down 10.1% from the previous year. In the last five years, red meat and poultry supply at the end of December was about the same as at the end of November, this year the supply increased 1.2%, **mostly due to more boneless beef going into the freezer**.

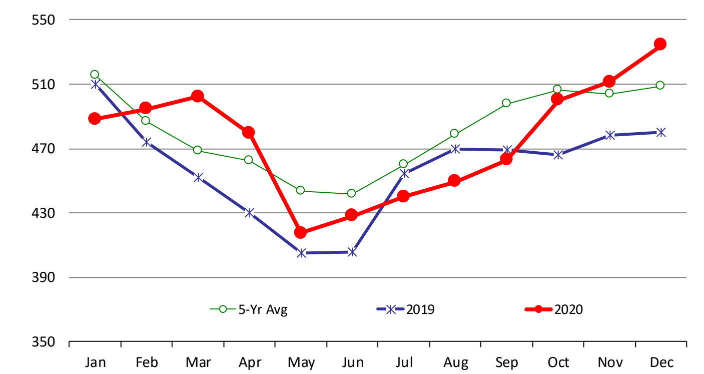
The total supply of beef in cold storage at the end of December was 534.3 million pounds, 11.3% higher than a year ago and 5% higher than the five year average. **Beef inventories increased at a faster than normal pace in December**. Boneless beef inventories increased by 5% from the previous month and they are now 10.6% higher than a year ago. USDA does not tell us what kind of beef went into the freezer last month. Was it imported beef? Was it beef that was staged before going to export? Was it product that packers/processors found was slow to sell and thus accumulated in the freezer? Fat beef trimmings were especially weak in December (low 30 cent) and we suspect a fair amount of product went to the freezer. Some beef cuts may have also entered the freezer following the decline in prices in December. We do not think this is imported beef because imports were light and inventory in the East Coast was down 2% from a year ago. Some of the increase may be due to strong exports. Inventory in the Pacific region was up 22% from a year ago. Freezer inventory in the West South Central region was 20% higher than the previous year.

**Pork supply in cold storage remains significantly below year ago levels** even as pork production in December hit 2.51 billion pounds, 67 million pounds or 2.7% higher than a year ago. This was the third largest monthly pork production on record. Good exports and strong holiday demand has underpinned pork values and helped support the overall cutout. With limited pork in the freezer and expectations of higher price inflation, it appears end users are more willing to build some inventory position. This continues to help the cutout in the near term. The total pork inventory at the end of December was 408.4 million pounds, 29.6% lower than a year ago and 21.4% lower than the five year average. Pork inventories declined 2.7% compared to the previous month vs. a 2.5% 5-year average drawdown. Pork inventories were already quite low in November and inventory became even tighter in December. Ham inventory was 53.6 million pounds, 37.6% lower than a year ago and 28.8% lower than the five year average. **Easter will be early this year and with less product in the freezer, processors have little time to shore up their needs**. Belly inventory was 30.7 million pounds, 54% lower than a year ago and 30% lower than the five year average. Given expectations of higher prices in Q2, the race is on to get some more product around.

The total supply of whole broilers and broiler parts at the end of December was 863 million pounds, 11.7% lower than a year ago and 2.2% lower than the five year average. Inventory in December declined by 2.2% compared to a 5-yr average drawdown of 1.5%. **Breast meat is plentiful while supply of wings remains extremely tight.**

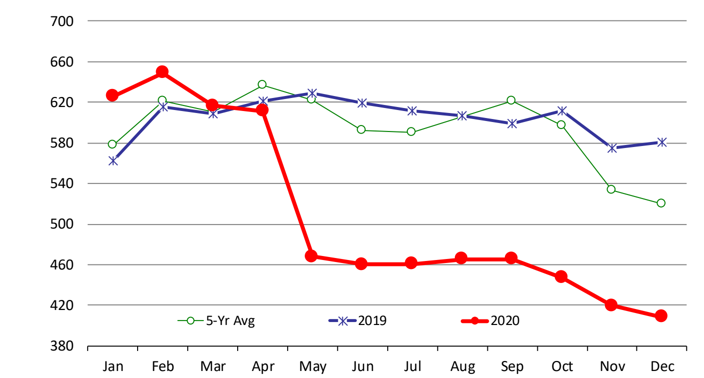
**All Beef In Cold Storage at End of Month**

Million Pounds. Source: USDA-NASS



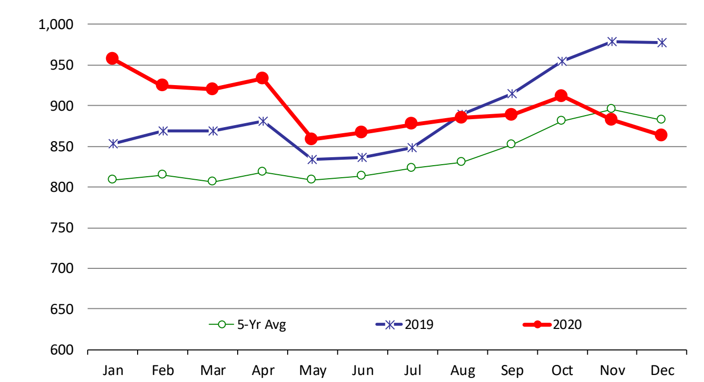

**All Pork In Cold Storage at End of Month**

Million Pounds. Source: USDA-NASS




**All Chicken 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-19 | 30-Nov-20 | 31-Dec-20 | Dec-19 | Nov-20 |
| | | 1,000 Pounds | | | |
| **Frozen Pork** | | | | | |
| *Picnics, Bone-In* | 7,669 | 8,864 | 7,253 | 95 | 82 |
| *Hams, Total* | 85,995 | 74,862 | 53,649 | 62 | 72 |
| *Bone-in* | 22,138 | 26,780 | 12,199 | 55 | 46 |
| *Boneless* | 63,857 | 48,082 | 41,450 | 65 | 86 |
| *Bellies* | 66,647 | 23,292 | 30,715 | 46 | 132 |
| *Loins, Total* | 49,123 | 37,152 | 37,919 | 77 | 102 |
| *Bone-in* | 21,924 | 9,289 | 8,248 | 38 | 89 |
| *Boneless* | 27,199 | 27,863 | 29,671 | 109 | 106 |
| *Ribs* | 120,877 | 80,343 | 83,843 | 69 | 104 |
| *Butts* | 20,457 | 17,413 | 15,220 | 74 | 87 |
| *Trimmings* | 53,435 | 42,062 | 43,058 | 81 | 102 |
| *Other* | 89,965 | 58,908 | 62,293 | 69 | 106 |
| *Variety Meats* | 32,984 | 24,324 | 24,828 | 75 | 102 |
| *Unclassified* | 53,312 | 52,533 | 49,583 | 93 | 94 |
| ***Total*** | **580,464** | **419,753** | **408,361** | **70** | **97** |
| **Frozen Beef** | | | | | |
| *Boneless* | 449,990 | 473,917 | 497,673 | 111 | 105 |
| *Beef Cuts* | 30,126 | 37,539 | 36,624 | 122 | 98 |
| ***Total*** | **480,116** | **511,456** | **534,297** | **111** | **104** |
| **Other** | | | | | |
| *Veal* | 6,171 | 9,066 | 9,374 | 152 | 103 |
| *Lamb & Mutton* | 34,752 | 25,917 | 24,849 | 72 | 96 |
| ***Total*** | **40,923** | **34,983** | **34,223** | **84** | **98** |
| ***Total Red Meat*** | **1,101,503** | **966,192** | **976,881** | **89** | **101** |
| **Chicken** | | | | | |
| *Broilers, Fryers, Roasters* | 20,359 | 18,768 | 14,072 | 69 | 75 |
| *Breasts and Breast Meat* | 221,607 | 254,853 | 259,851 | 117 | 102 |
| *Leg Quarters* | 94,095 | 62,815 | 67,887 | 72 | 108 |
| *Wings* | 56,149 | 45,712 | 42,747 | 76 | 94 |
| *Other Chicken* | 585,412 | 500,198 | 478,520 | 82 | 96 |
| ***Total*** | **977,622** | **882,346** | **863,077** | **88** | **98** |
| **Turkey** | | | | | |
| *Whole Turkeys* | 58,285 | 37,122 | 59,735 | 102 | 161 |
| *Turkey Breast* | 63,671 | 58,598 | 61,922 | 97 | 106 |
| *Other* | 110,696 | 96,834 | 101,980 | 92 | 105 |
| ***Total*** | **232,652** | **192,554** | **223,637** | **96** | **116** |
| *Ducks* | 2,647 | 2,576 | 2,855 | 108 | 111 |
| ***Total Poultry*** | **1,212,921** | **1,077,476** | **1,089,569** | **90** | **101** |