

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**.

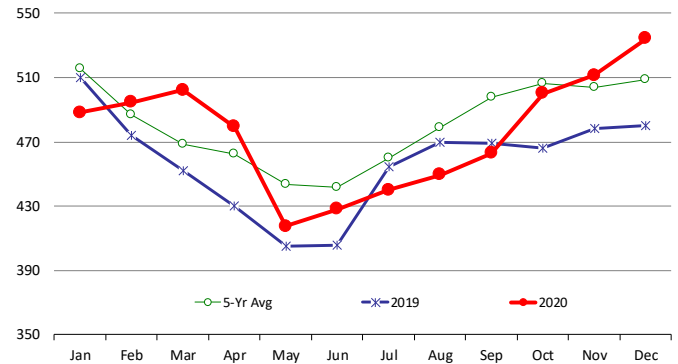
The total supply of beef in cold storage at the end of December was 534.3 million pounds, 11.3% higher than a year ago and 5% higher than the five year average. **Beef inventories increased at a faster than normal pace in December**. Boneless beef inventories increased by 5% from the previous month and 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**.

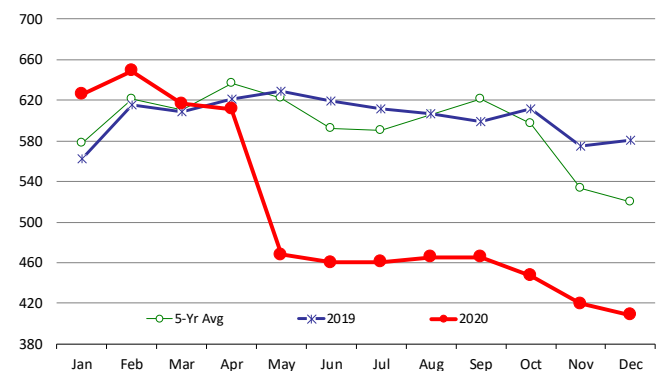
All Beef In Cold Storage at End of Month

Million Pounds. Source: USDA-NASS



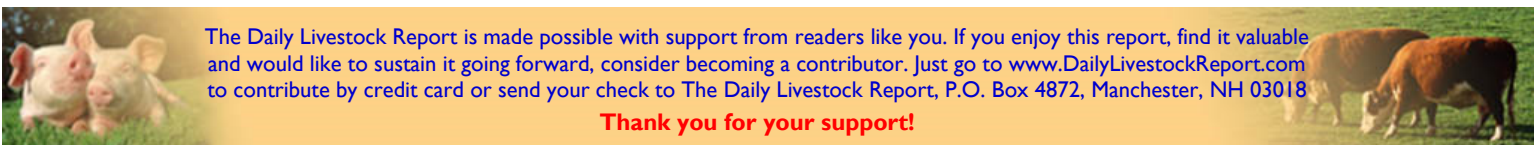
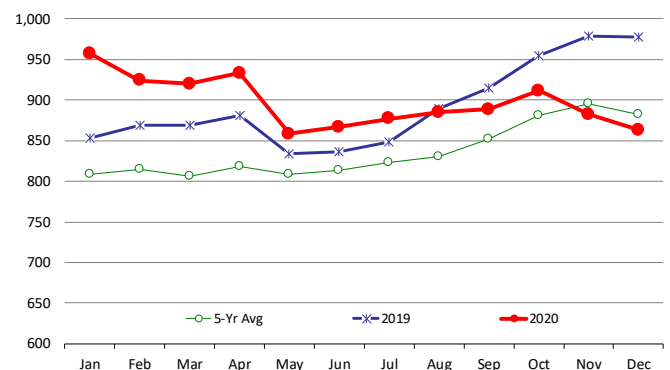
All Pork In Cold Storage at End of Month

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

