

According to the most recent USDA survey, the supply of beef, pork and poultry in cold storage was 14% lower than a year ago. High prices limited the ability of users to build inventory in August. In the last five years August inventory has increased by 1.1% from July but this year the supply in storage was about the same as the previous month. With year-end holiday demand around the corner, the limited inventory will continue to impact spot meat prices. Below is a brief recap of the three main proteins.

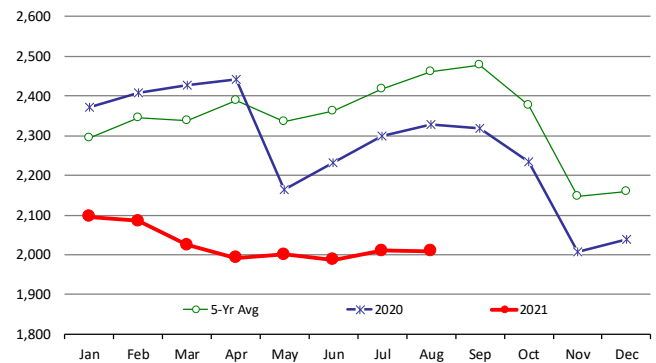
Beef: The total supply of beef in cold storage at the end of August was estimated at 414.9 million pounds, 7.7% lower than a year ago and 12.6% lower than the five year average. Normally we see beef inventories start to increase in June but high prices over the summer have limited the ability of market participants to build inventory. In August beef inventories increased 3.5% from the previous month compared to an average 4.5% increase in the last five years. The inventory of beef cuts in cold storage was 30.7 million pounds, 2.2% lower than the extremely tight inventory last year and 17.9% under the five year average.

Pork: Pork inventories increased in August but remain extremely low for this time of year. At the end of August the inventory of all pork in cold storage was estimated at 460 million pounds, 1% lower than a year ago and 18.9% lower than they five year average. In the last five years the average build up of pork inventories in August was 2% compared to 4% this year. But that 4% increase is from a very low base. Processors and packers are going into the highest demand time of year with limited freezer stock. Pork production will seasonally increase but it is expected to remain about 2-3% below last year's levels. One area where we did see a notable increase in freezer stocks were hams, with the inventory at the end of August at 185.7 million pounds, 29% higher than a year ago and now just 5.4% below the five year average. August inventory increased 22% from July levels compared to an average increase of 13% in the last five years. In August 2018 we saw a similar increase in the ham inventory from July to August. The inventory of bellies in cold storage at the end of August were 17.5 million pounds, 43.7% lower than a year ago and 46.4% lower than the five year average. Belly prices have declined from record levels in July but they remain high for this time of year. The tight freezer stock situation continues to underpin spot belly values. Good retail demand also continues to support loin retail sales, limiting the amount of loins going into the freezer. At the end of August loin inventory was 31.7 million pounds, 21% lower than last year and 10.4% lower than the five year average.

Poultry: Chicken inventory at the end of August was 708 million pounds, 19.9% lower than a year ago and 16.8% lower than the five year average. Inventories declined 3.1% from July compared to an average 1% increase in the last five years. The total inventory of chicken breast meat at the end of August was 162 million pounds, 20.5% lower than a year ago and 7.8% lower than the five year average.

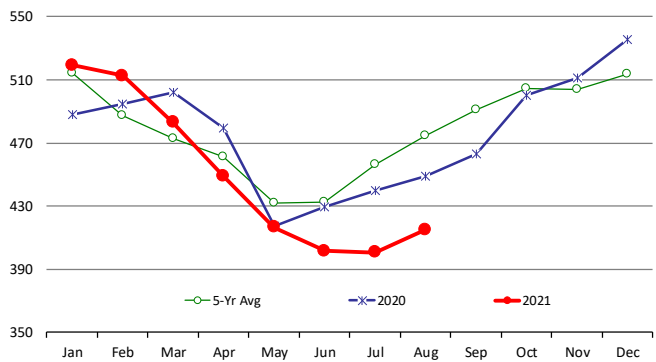
Combined Beef, Pork, Chicken and Turkey in Cold Storage at End of Month

Million Pounds. Source: USDA-NASS



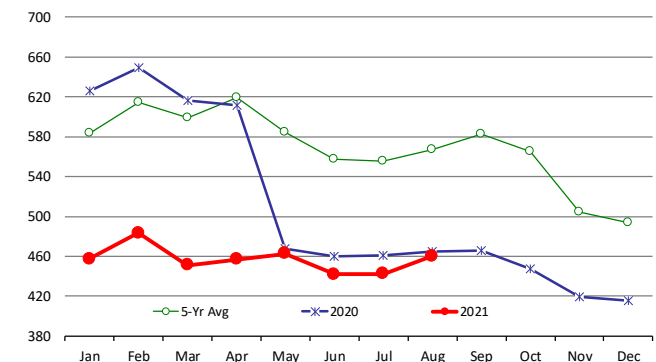
All Beef In Cold Storage at End of Month

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-Aug-20	31-Jul-21	31-Aug-21	Aug-20	Jul-21
	1,000 Pounds				
Frozen Pork					
<i>Picnics, Bone-In</i>	7,972	4,623	5,408	68	117
<i>Hams, Total</i>	143,909	152,613	185,697	129	122
<i>Bone-in</i>	58,806	73,926	96,940	165	131
<i>Boneless</i>	85,103	78,687	88,757	104	113
<i>Bellies</i>	31,053	27,722	17,469	56	63
<i>Loins, Total</i>	40,317	31,276	31,743	79	101
<i>Bone-in</i>	14,482	11,596	11,957	83	103
<i>Boneless</i>	25,835	19,680	19,786	77	101
<i>Ribs</i>	62,655	61,249	56,544	90	92
<i>Butts</i>	14,347	11,184	13,034	91	117
<i>Trimming</i>	37,771	35,929	37,293	99	104
<i>Other</i>	53,672	52,814	49,478	92	94
<i>Variety Meats</i>	25,516	22,052	21,796	85	99
<i>Unclassified</i>	47,707	42,928	41,597	87	97
Total	464,919	442,390	460,059	99	104
Frozen Beef					
<i>Boneless</i>	417,895	371,185	384,191	92	104
<i>Beef Cuts</i>	31,441	29,629	30,744	98	104
Total	449,336	400,814	414,935	92	104
Other					
<i>Veal</i>	6,965	5,403	6,056	87	112
<i>Lamb & Mutton</i>	39,466	21,010	22,051	56	105
Total	46,431	26,413	28,107	61	106
Total Red Meat	960,686	869,617	903,101	94	104
Chicken					
<i>Broilers, Fryers, Roasters</i>	29,041	11,997	13,722	47	114
<i>Breasts and Breast Meat</i>	203,899	178,546	162,042	79	91
<i>Leg Quarters</i>	80,365	76,200	75,289	94	99
<i>Wings</i>	51,705	48,948	49,944	97	102
<i>Other Chicken</i>	518,528	415,214	407,025	78	98
Total	883,538	730,905	708,022	80	97
Turkey					
<i>Whole Turkeys</i>	287,251	261,401	260,561	91	100
<i>Turkey Breast</i>	86,567	58,581	51,178	59	87
<i>Other</i>	157,552	115,497	113,871	72	99
Total	531,370	435,479	425,610	80	98
<i>Ducks</i>	6,752	2,923	3,414	51	117
Total Poultry	1,421,660	1,169,307	1,137,046	80	97

