Daily Livestock Report

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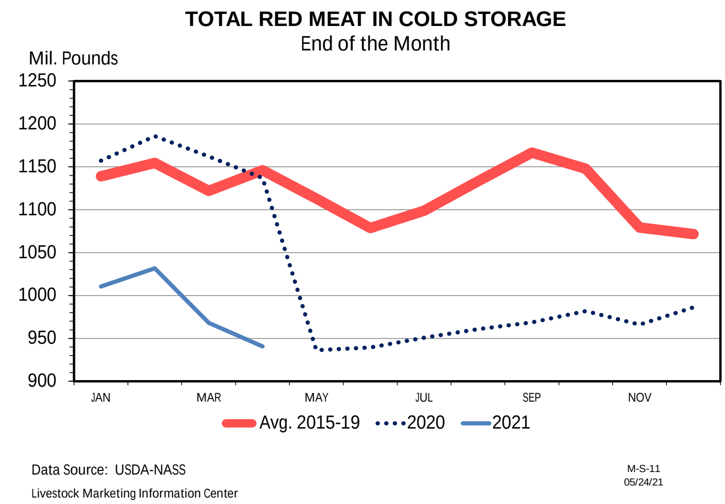
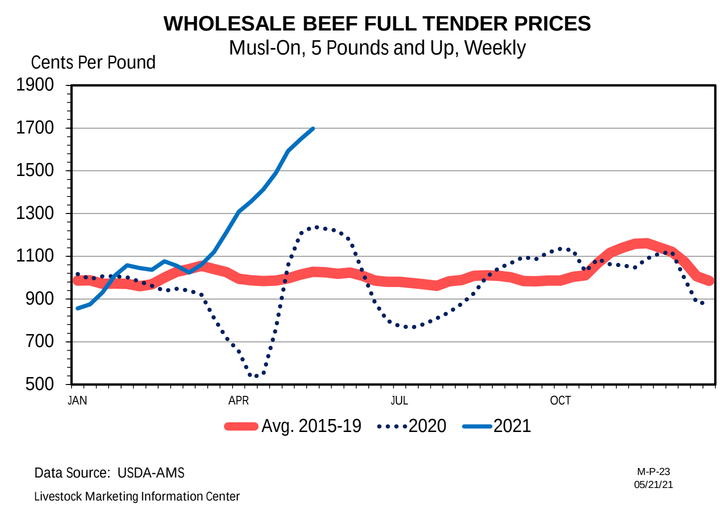
USDA NASS released cold storage data on Monday detailing relatively tight stocks across the meat and poultry sectors. Total chicken is down 22% from a year ago, with some of the largest draw downs happening in thigh meat (-53%), Legs (-49%), broilers/fryers/roasters (-34%), and wings (-33%). Few chicken categories are above a year ago, but those include drumsticks (8%), thigh quarters (20%) and paws/feet (37%). Turkey in cold storage was similar with more categories trailing April 2020 figures. Whole toms was the only category above last year, up 12%. Total turkey was down 13%. Breast meat was down the largest percentage, 34% below the prior year, followed by mechanically deboned turkey meat, 31% below. Total frozen poultry was down 20%, and was roughly equivalent to the March 2021 data.

Overall red meat categories showed year-over-year drops in cold storage inventories. Total red meat was 18% lower than April 2020. Lamb showed the largest decline, 39% lower. Lamb meat prices have been setting record highs as of late, and showed unusual strength in post-Easter market action. Compared to last month, lamb supplies were down 2%. Lamb and yearling slaughter have hit some high points in the last couple of weeks, trending above the five year average. New lamb plants hitting their stride may at least be in part to the boom in slaughter. High cutout values are also offering financial incentives to maintain slaughter levels. Saturday kill levels have been hit or miss, and struggled with labor issues similar to other red meat industries.

Pork cold storage inventories are down 26%. Bellies supplies are still very tight, down 58% from last year. Picnics and butts are more than 40% below last year. Loins are the only pork category higher than April of 2020, up 4%.

Beef in cold storage tallied 5% down. Boneless beef was down 7% from a year ago and from last month. Year ago comparisons for ground beef are meeting the high points of last year's lofty surge in 50% lean and 90% lean beef categories. Fresh 50% lean beef appeared to follow where the boxed beef cutout rally, but in late April and May stalled, easing from the Spring high. Fresh 90% lean categories of ground beef have continued to climb into May and show no signs of slowing. Last week 90% lean hit $2.50 per pound on the wholesale market, about a 15 cent premium to the five year average. Cold storage does not provide the product mix within the categories, but it appears the meat sector is working through inventories. In spite of restaurant activity surging and high priced beef cuts, beef cuts in cold storage have not fallen, but continue to add frozen inventory. Beef cuts in cold storage are up 13% year-over year, and increased 8% month of over. Many of the wholesale beef cuts are above the five year average, and some are even priced higher than the spring levels of the pandemic last year. Wholesale ribeyes are selling at $12.63 per pound last week versus $11.45 per pound last year. Tenderloin (5 pounds and higher) are sold last week at $17 per pound, compared to $12.40 per pound for the same week in 2020.





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