

**The combined inventory of beef, pork, chicken and turkey in cold storage at the end of March was estimated at 2.435 billion pounds, 1.5% higher than a year ago and 5.7% higher than the five year average.** The combined month end inventory of the four main species increased by 1.1% from February levels. This compares to an average increase of 0.3% decline in the last five years. There's a lot of speculation as to whether the supply in cold storage offers enough of a buffer in case of production disruptions due to COVID-19. The reality is that this is a relatively small buffer given monthly demand from a population of +330 million people. Over the years US food supply chains have been streamlined and just in time inventory is now a fact of life. Often the supply in cold storage represents product that is staged before it goes to export or represents excess supply in times of a slowdown in demand. We think part of the reason inventories were not much higher at the end of March was because the big jump in beef, pork and chicken prices in the middle of last month offset the supply accumulated due to foodservice demand collapse. The cold storage situation differs greatly depending on species and cuts.

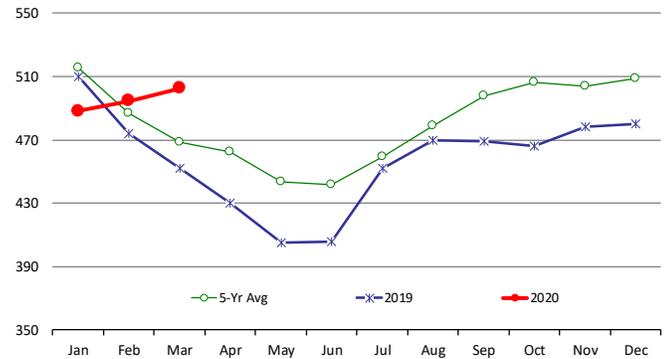
**The total supply of beef in cold storage at the end of March was 502.4 million pounds, 11.2% higher than a year ago and 7.2% higher than the five year average.** Boneless beef inventories at 466.9 million pounds were 10.6% higher than a year ago. We think the slowdown in foodservice demand likely caused some grinding beef to back up in cold storage. Also some of the imported beef that normally would have gone directly to fast food customers may have backed up in cold storage too. Inventories of beef cuts were up 20% from a year ago, reflecting the slowdown in foodservice demand. The big jump in beef prices recently, especially the increase in the value of 50CL beef, may encourage some inventory drawdown in April.

**Pork inventory was estimated at 621.9 million pounds, 2.2% higher than a year ago and 1.9% higher than the five year average.** Belly inventories were 34% higher than a year ago and help explain the extreme weakness in belly prices in late March and early April. On the other hand, good retail demand caused pork loin inventories to counter seasonally decline. While boneless pork loin inventories at the end of March were still 10% higher than a year ago, inventory declined 12% from the previous month when normally we expect to see an increase. Good clearance at retail helped deplete some of the large inventories accumulated in January and February.

**The supply of chicken in cold storage was 921.4 million pounds, 6.1% higher than a year ago and 14.2% higher than the five year average.** Chicken supplies were unchanged from a month ago compared to an average decline of 1% in the past five years. The smaller than expected drawdown in stocks reflects the slowdown in foodservice demand, with large supplies of chicken breasts now backed up in the freezer. Breast meat freezer inventory was 226.7 million pounds, 27.3% higher than a year ago. Breast meat inventories increased 2% vs. a 5% average decline in the last five years. Turkey inventory was 389.1 million pounds, 17% lower than a year ago. Inventory of whole turkeys remains limited at 165.1 million pounds, 26.7% lower than last year. Inventory of all lamb and mutton at the end of March was 38.6 million pounds, 24% lower than a year ago.

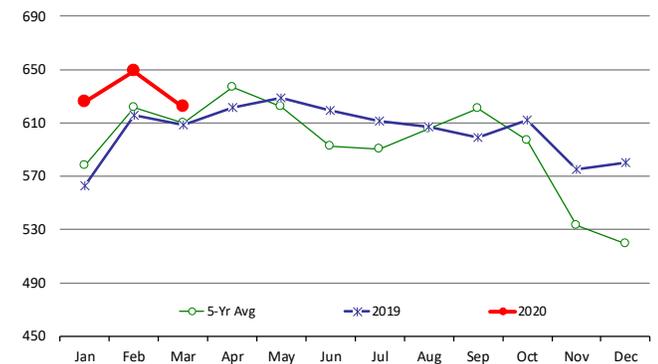
## All Beef In Cold Storage at End of Month

Million Pounds. Source: USDA-NASS



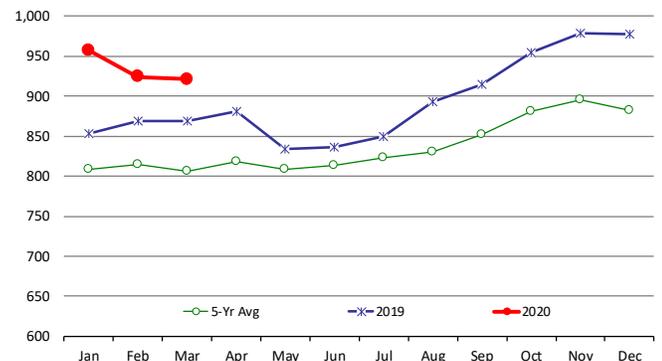
## All Pork In Cold Storage at End of Month

Million Pounds. Source: USDA-NASS



## All Chicken In Cold Storage at End of Month

Million Pounds. Source: USDA-NASS



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