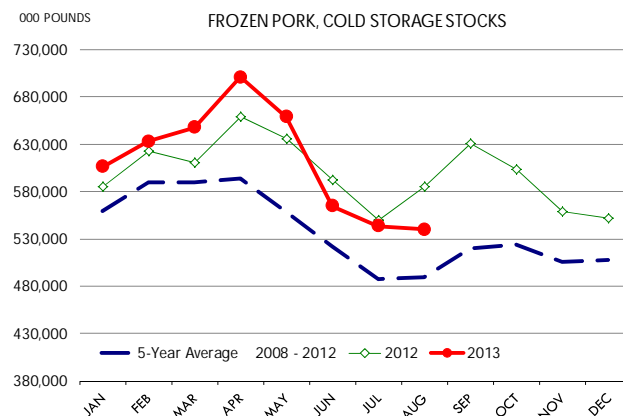
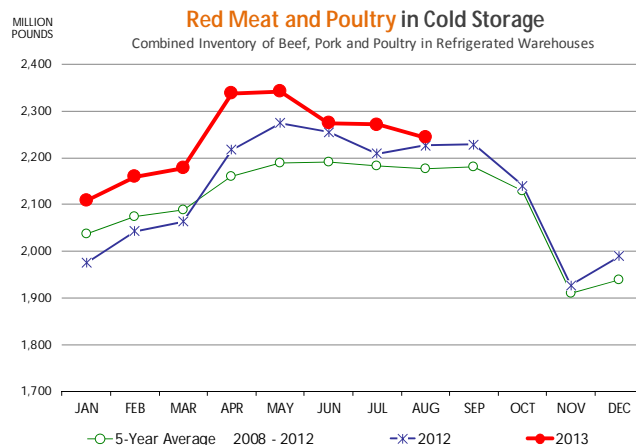


Editor Note: It came to our attention today that there had been a snafu regarding the post office box for The Daily Livestock Report. The problem has been rectified. If you have had contributions or correspondence returned in recent days, please send them again to: The Daily Livestock Report, P.O. Box 2, Adel, IA 50003. We do indeed appreciate your support and apologize for any inconvenience this issue has caused.

The latest USDA Cold Storage report showed that stocks of beef, pork and poultry at the end of August were about 1.2% lower than the previous month but still about 0.8% higher than a year ago. The stock drawdown was for the most part in line with normal patterns for this time of year although the situation for specific groups and subgroups offered some interesting insights. Below are the highlights by protein:

Beef inventories declined 6.2% from the previous month, a much faster pace than normal at this time of year. High prices of fat beef trim likely encouraged a further drawdown in fat beef stocks. Seasonally lower fat trim values in the fall should encourage some inventory building but end users are coming in with tighter than usual supplies. This should remain supportive of the trim market going into the holidays. Lean beef inventories also remain somewhat lower than normal. Beef imports continue to be limited by the seasonal decline in New Zealand shipments and historically light imports of Australian beef. Inventories of beef cuts were up 2% from the previous month, a slower pace than normal and down 30% from a year ago. High beef costs in August likely limited some of the inventory build for the holidays. End users will come into the holiday season with smaller stocks and this is generally supportive of beef prices for Q4.

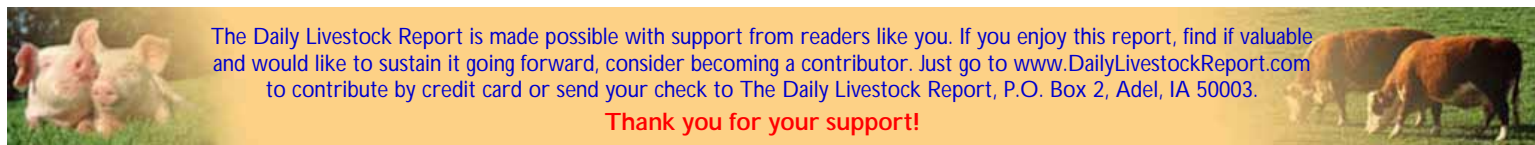
The **pork inventory** was estimated at 540.0 million pounds was down 0.7% from the previous month and down 7.8% from a year ago. But comparisons to a year ago are a bit deceptive as near record high slaughter last year caused inventories to swell at the end of August 2012. Pork inventories still are about 10.2% above the five year average. The inventory drawdown in August was 0.7%, which is close to normal for this time of year. Ham inventories increased 11% from July, which is also normal for this time of year. Still, ham stocks are now up 28.3% above the five year average. Despite the big inventories, ham values have held up well so far. It is possible that ham inventories have increased recently due to expanding export sales. Still, the heavy stocks could weigh on near term pork and hog values, especially if hog slaughter approaches more normal levels. Pork belly stocks were 19.1 million pounds, 34.6% higher than a year ago but still about 18.5% lower than the five year average. Belly prices



have been very firm for much of this year. Inventories will likely decline again in September but should start moving up again into year end. A smaller than expected slaughter could continue to push belly prices up, however, as in recent years demand appears to have far outpaced supply growth for this item. Pork loin stocks at 24.9 million pounds were 23% lower than a year ago while pork trimmings at 36.7 million pounds were down 30.4%.

Chicken inventories at 691.3 million pounds were up 1.1% from the previous month and up 4.8% from a year ago. The action in the broiler complex appears to be somewhat negative, with inventories building at a time when they normally are steady to lower. Inventories for wings and leg quarters are particularly heavy.

See page 2 for full details.



The Daily Livestock Report is made possible with support from readers like you. If you enjoy this report, find it valuable and would like to sustain it going forward, consider becoming a contributor. Just go to www.DailyLivestockReport.com to contribute by credit card or send your check to The Daily Livestock Report, P.O. Box 2, Adel, IA 50003.

Thank you for your support!

The Daily Livestock Report is published by Steve Meyer & Len Steiner, Inc., Adel, IA and Merrimack, NH. To subscribe, support or unsubscribe visit www.dailylivestockreport.com. Copyright © 2013 Steve Meyer and Len Steiner, Inc. All rights reserved.

The Daily Livestock Report is not owned, controlled, endorsed or sold by CME Group Inc. or its affiliates and CME Group Inc. and its affiliates disclaim any and all responsibility for the information contained herein. CME Group®, CME® and the Globe logo are trademarks of Chicago Mercantile Exchange, Inc.

Disclaimer: The *Daily Livestock Report* is intended solely for information purposes and is not to be construed, under any circumstances, by implication or otherwise, as an offer to sell or a solicitation to buy or trade any commodities or securities whatsoever. Information is obtained from sources believed to be reliable, but is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted. Futures trading is not suitable for all investors, and involves the risk of loss. Past results are no indication of future performance. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money initially deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyle. And only a portion of those funds should be devoted to any one trade because a trader cannot expect to profit on every trade.

Daily Livestock Report

Sponsored by  **CME Group**

Vol. 11, No. 182 / September 24, 2013

USDA STOCKS IN COLD STORAGE REPORT

COMMODITY	Stocks in All Warehouses			Percent Of	
	31-Aug-12	31-Jul-13	31-Aug-13	Aug-12	Jul-13
	1,000 Pounds				
Frozen Pork					
<i>Picnics, Bone-In</i>	11,396	12,719	13,808	121	109
<i>Hams, Total</i>	195,930	180,677	200,584	102	111
<i>Bone-in</i>	103,603	85,080	99,016	96	116
<i>Boneless</i>	92,327	95,597	101,568	110	106
<i>Bellies</i>	14,210	28,177	19,130	135	68
<i>Loins, Total</i>	32,369	25,688	24,886	77	97
<i>Bone-in</i>	8,422	10,125	8,827	105	87
<i>Boneless</i>	23,947	15,563	16,059	67	103
<i>Ribs</i>	57,690	57,631	47,879	83	83
<i>Butts</i>	26,557	15,639	16,671	63	107
<i>Trimming</i>	52,767	36,927	36,705	70	99
<i>Other</i>	104,760	96,881	96,664	92	100
<i>Variety Meats</i>	29,364	31,041	28,754	98	93
<i>Unclassified</i>	60,753	58,288	54,947	90	94
Total	585,796	543,668	540,028	92	99
Frozen Beef					
<i>Boneless</i>	368,862	418,721	389,073	105	93
<i>Beef Cuts</i>	63,915	43,876	44,769	70	102
Total	432,777	462,597	433,842	100	94
Other					
<i>Veal</i>	4,906	5,897	3,839	78	65
<i>Lamb & Mutton</i>	24,233	23,324	21,999	91	94
Total	29,139	29,221	25,838	89	88
Total Red Meat	1,047,712	1,035,486	999,708	95	97
Chicken					
<i>Broilers (Whole)</i>	15,566	21,631	22,928	147	106
<i>Breasts and Breast Meat</i>	101,855	98,536	96,639	95	98
<i>Leg Quarters</i>	99,750	142,268	142,865	143	100
<i>Wings</i>	56,311	94,176	102,844	183	109
<i>Other Chicken</i>	385,861	327,360	326,040	84	100
Total	659,343	683,971	691,316	105	101
Turkey					
<i>Whole Turkeys</i>	325,343	328,352	334,717	103	102
<i>Turkey Breast</i>	70,872	83,392	75,771	107	91
<i>Other</i>	151,551	169,613	168,086	111	99
Total	547,766	581,357	578,574	106	100
<i>Ducks</i>	3,279	2,574	2,472	75	96
Total Poultry	1,210,388	1,267,902	1,272,362	105	100

The Daily Livestock Report is made possible with support from readers like you. If you enjoy reading this report and would like to sustain it going forward, consider becoming a contributor by going to our website: www.DailyLivestockReport.com

Thank you for your support!

