

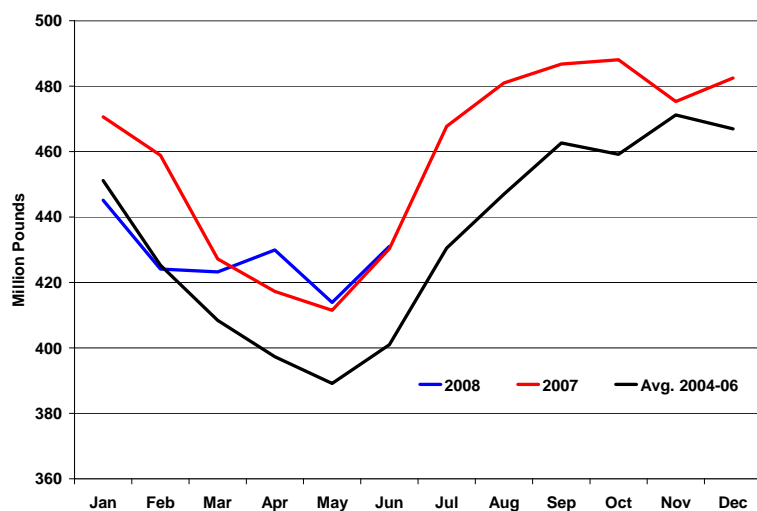
July 25, 2008

Short No. 807

July Meat Cold Storage

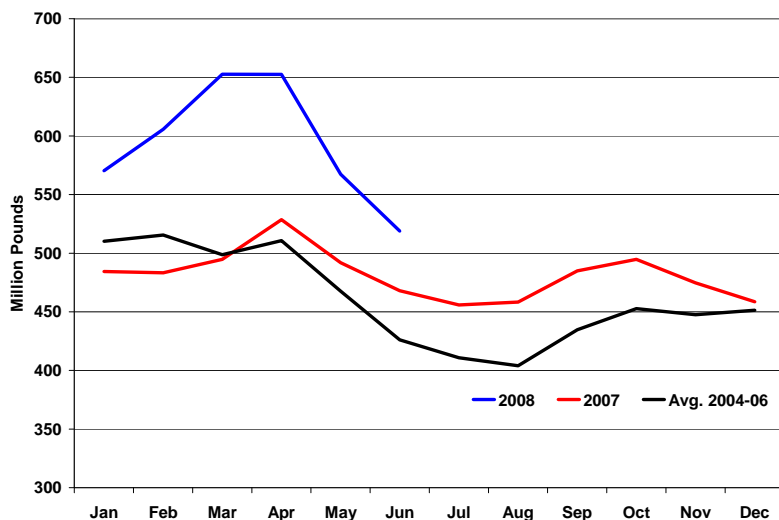
The USDA Cold Storage report released July 22 indicated that meat supplies are generally higher and with the exception of beef will continue to trend above last year's inventory for the duration of 2008. From last year, beef storage is nearly level, pork storage is up 11 %, and poultry is up 19%.

Beef Storage



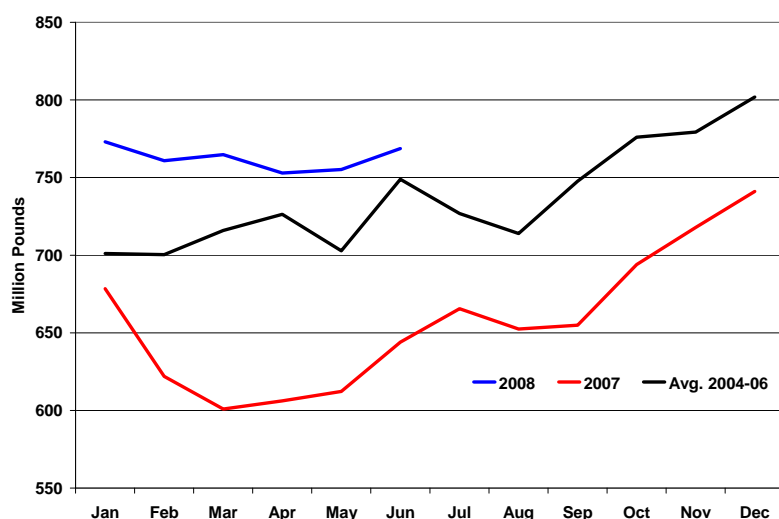
Beef in storage volumes are trending evenly with last year's levels, and are currently at the 431 million pounds. With the number of cattle on feed falling it is likely that beef storage will fall below the level of last year, but remain above the 2004-06 average. Slaughter weights are currently running around 1% higher than a year ago, continuing a 3 month trend of heavier cattle coming to slaughter. This additional weight has contributed to over all supply, but there is still expectations of lower beef supplies in the fall adding to the expectations of higher fed cattle prices.

Pork Storage



Pork storage is up from last year with inventories at 519 million pounds, the highest June inventory since 1999. Most of the "extensive" inventory from early spring has been moved, aided by strong domestic demand and extraordinary export levels. Pork in storage will remain above the levels of 2007, especially if pork exports do not maintain their current growth. Hog carcass weights were a pound lighter in the months of May and June than in the year previous.

Poultry Storage



Poultry in storage has been well above the levels of last year and above the 2004-06 average. Currently there are 769 million pounds of poultry in storage, up 19% from last year. In the outlook for poultry, the 3 week average of egg sets in July is down 3.3% and chick placements were down 0.9%. Broiler production will be lower later this year, as feed costs continue to put a damper on production. Recently, wholesale poultry prices have been in the low to mid-80's, slightly higher than a year ago but not enough to keep up with feed costs.

Shane Ellis