

Monday's U.S. holiday is Memorial Day — a day set aside to honor the nation's war dead. It has become somewhat of a tradition here at The Daily Livestock Report to include General Orders No. 11 of the Grand Army of the Republic in our final pre-Memorial Day edition. It's a message we are proud to feature and that, judging from the e-mails we usually receive, our readers appreciate reading. The Orders were issued on May 5, 1868 by GAR Commander in Chief John A. Logan and established the first traditions of what is now Memorial Day.

*"The 30th day of May, 1868 is designated for the purpose of strewing with flowers or otherwise decorating the graves of comrades who died in defense of their country during the late rebellion, and whose bodies now lie in almost every city, village and hamlet church-yard in the land. In this observance no form of ceremony is prescribed but posts and comrades will in their own way arrange such fitting services and testimonials of respect as circumstances may permit.*

*We are organized, comrades, as our regulations tell us, for the purpose among other things, "of preserving and strengthening those kind fraternal feelings which have bound together the soldiers, sailors and marines who united to suppress the late rebellion." What can aid more to assure this result than cherishing tenderly the memory of our heroic dead, who made their breasts a barricade between our country and its foes? Their soldier lives were the reveille of freedom to a race in chains, and their deaths the tattoo of rebellious tyranny in arms. We should guard their graves with sacred vigilance. All that the consecrated wealth and taste of the nation can add to their adornment and security is but a fitting tribute to the memory of her slain defenders. Let no wanton foot tread rudely on such hallowed grounds. Let pleasant paths invite the coming and going of reverent visitors and fond mourners. Let no vandalism of avarice or neglect, no ravages of time testify to the present or to the coming generations that we have forgotten as a people the cost of a free and undivided republic.*

*If other eyes grow dull, other hands slack, and other hearts cold in the solemn trust, ours shall keep it well as long as the light and warmth of life remain to us.*

*Let us, then at the time appointed gather around their sacred remains and garland the passionless mounds above them with the choicest flowers of spring-time; let us raise above them the dear old flag they saved from dishonor; let us in this solemn presence*

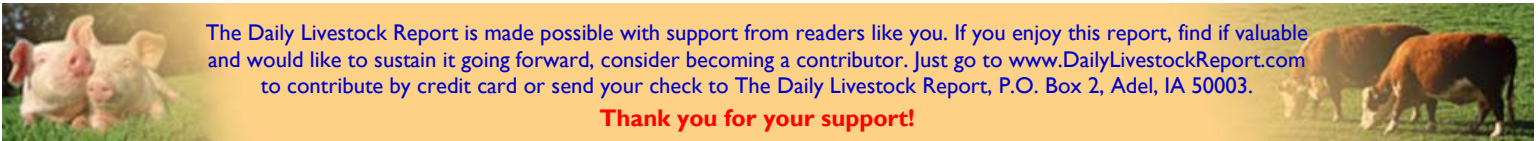


**Memorial  
Day**  
*Never Forget  
Ever Honor*

*renew our pledges to aid and assist those whom they have left among us a sacred charge upon a nation's gratitude, the soldier's and sailor's widow and orphan."*

We all too often forget the precious price that has been paid for our freedom and the freedom of millions of others worldwide. As we have done each of the past few years, we again ask you make time Monday to attend a Memorial Day observance in your community. Most will include a reading of General Orders No. 11, a 21-gun salute, perhaps a speech and, most certainly, the haunting strains of Taps. We guarantee you will be moved and grateful — as all of us should be on this most solemn of national holidays. Have a safe, happy and meaningful Memorial Day. And say a prayer of thanks for the sacrifices of so many. How blessed we are because of them.

**Please see market comments on page 2.**



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USDA released on Thursday, May 22, the results of its monthly survey of refrigerated warehouses and we expect markets will generally view the results as bullish for meat prices going into the summer months. The results were particularly bullish for beef and chicken, with overall stocks down sharply compared to both last year and the five year average. Pork stocks also were lower than a year ago but we did not see the rate of depletion that we saw in March.

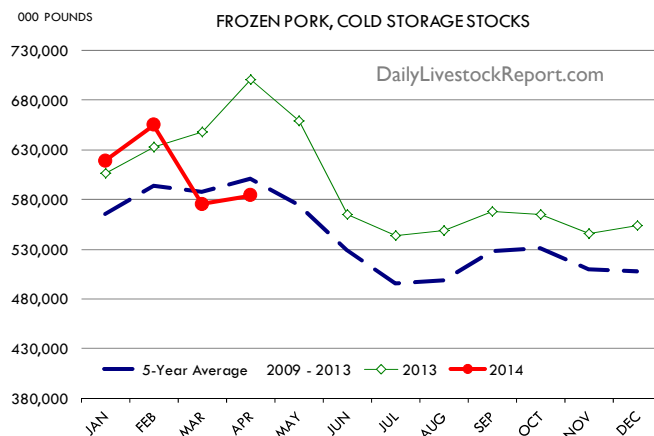
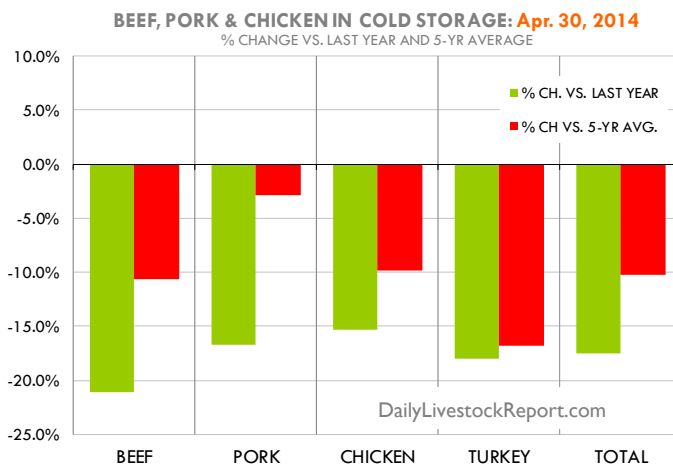
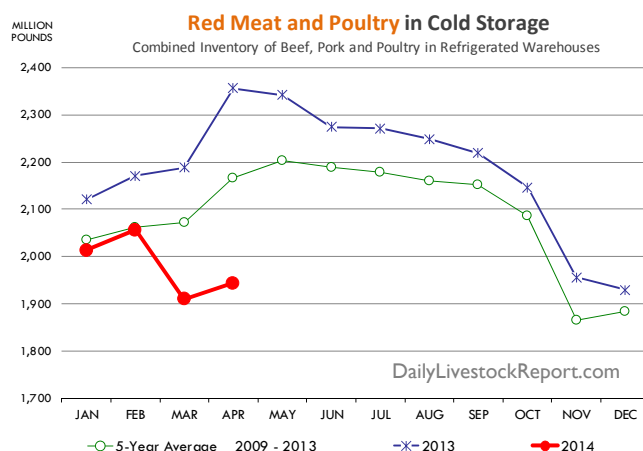
The total supply of beef, pork and poultry in cold storage at the end of April was 1.944 million pounds, down 17.5% from a year ago and 10.3% lower than the five year average. US end users have aggressively depleted inventories in the first four months of the year and they are coming into the high demand summer months with very tight stocks. This will continue to underpin meat prices during June – Aug period.

**Beef inventories were 402.3 million pounds, down 21% from a year ago and 10.6% lower than the five year average.** Pork inventories were also 16.7% lower than a year ago but that comparison is a bit skewed by the fact that pork supplies last year were backed up.

Pork stocks were 2.9% lower than the five year average and they increased modestly compared to where they were at the end of March. The cold storage numbers were somewhat **bullish for hams**, which counter seasonally declined in April and are now **down 35.6% from a year ago and 12.8% lower than the five year average.** With ham prices high and expected to be higher, it will be challenging for end users to build stocks as they normally do during June – Sep. This supports a rather bullish outlook for ham prices going into the holidays. Ham export demand could be further supported in the coming months by strong exports to Mexico as PEDv disease is now reported to be in 17 of the 31 Mexican states. Belly stocks remain heavy, 46.8% higher than a year ago and 31.8% higher than the five year average. Also somewhat bearish were the inventory numbers for pork loins, with stocks of boneless loins increasing 15.8% compared to where they were at the end of March. Inventories of pork trimmings remain tight, with stocks at the end of April down 36.5% from the previous year.

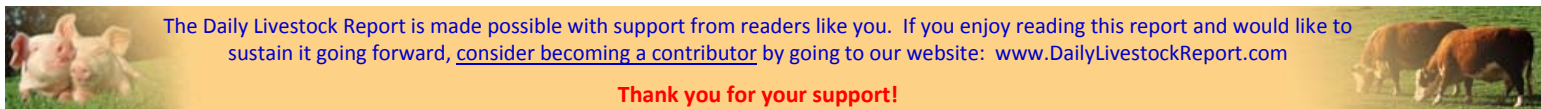
We think the latest report was particularly bullish for broiler prices. **Whole broiler stocks dropped some 24% compared to where they were at the end of March and at just 8.5 million pounds they were 48% lower than a year ago and 55% lower than the five year average.** Breast meat supplies are down 10% from a year ago and 12.4% lower than the five year average while stocks of leg quarters have been depleted each of the last three months and are now some 27% below year ago levels.

The decline in cold storage stocks (and bullish implications) should be seen in the context of the overall decline in meat production. Cattle and hog slaughter is expected to track well below year ago levels in June, July and August. Broiler supply growth remains modest, with chick placements in the past six weeks tracking just 0.1% above year ago levels.



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## USDA STOCKS IN COLD STORAGE REPORT

COMMODITY	Stocks in All Warehouses			Percent Of	
	30-Apr-13	31-Mar-14	30-Apr-14	Apr-13	Mar-14
1,000 Pounds					
<b>Frozen Pork</b>					
<i>Picnics, Bone-In</i>	21,152	9,080	13,498	64	149
<i>Hams, Total</i>	126,931	89,452	81,807	64	91
<i>Bone-in</i>	54,137	37,661	34,641	64	92
<i>Boneless</i>	72,794	51,791	47,166	65	91
<i>Bellies</i>	56,352	79,721	82,711	147	104
<i>Loins, Total</i>	46,140	41,470	47,109	102	114
<i>Bone-in</i>	15,481	15,218	16,710	108	110
<i>Boneless</i>	30,659	26,252	30,399	99	116
<i>Ribs</i>	120,593	120,606	116,678	97	97
<i>Butts</i>	23,854	20,163	19,833	83	98
<i>Trimming</i>	66,050	36,871	41,964	64	114
<i>Other</i>	129,912	94,722	97,551	75	103
<i>Variety Meats</i>	32,926	35,427	37,745	115	107
<i>Unclassified</i>	77,067	48,027	45,164	59	94
<b>Total</b>	<b>700,977</b>	<b>575,539</b>	<b>584,060</b>	<b>83</b>	<b>101</b>
<b>Frozen Beef</b>					
<i>Boneless</i>	460,043	364,771	360,405	78	99
<i>Beef Cuts</i>	50,086	41,016	41,930	84	102
<b>Total</b>	<b>510,129</b>	<b>405,787</b>	<b>402,335</b>	<b>79</b>	<b>99</b>
<b>Other</b>					
<i>Veal</i>	5,404	2,921	3,422	63	117
<i>Lamb &amp; Mutton</i>	21,463	28,076	26,911	125	96
<b>Total</b>	<b>26,867</b>	<b>30,997</b>	<b>30,333</b>	<b>113</b>	<b>98</b>
<b>Total Red Meat</b>	<b>1,237,973</b>	<b>1,012,323</b>	<b>1,016,728</b>	<b>82</b>	<b>100</b>
<b>Chicken</b>					
<i>Broilers, Fryers, Roasters</i>	16,305	11,117	8,448	52	76
<i>Breasts and Breast Meat</i>	121,075	113,032	109,012	90	96
<i>Leg Quarters</i>	136,978	106,551	100,162	73	94
<i>Wings</i>	83,811	55,699	61,198	73	110
<i>Other Chicken</i>	328,964	305,170	303,088	92	99
<b>Total</b>	<b>687,133</b>	<b>591,569</b>	<b>581,908</b>	<b>85</b>	<b>98</b>
<b>Turkey</b>					
<i>Whole Turkeys</i>	232,158	163,017	193,137	83	118
<i>Turkey Breast</i>	73,892	53,024	51,470	70	97
<i>Other</i>	151,525	120,342	130,591	86	109
<b>Total</b>	<b>457,575</b>	<b>336,383</b>	<b>375,198</b>	<b>82</b>	<b>112</b>
<i>Ducks</i>	2,311	1,782	1,789	77	100
<b>Total Poultry</b>	<b>1,147,019</b>	<b>929,734</b>	<b>958,895</b>	<b>84</b>	<b>103</b>

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