



## MORNING November 9, 2020 Livestock Report

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### CATTLE

#### USDA FEDERAL CATTLE SLAUGHTER

NOVEMBER 6, 2020	109,000
WEEK AGO	114,000
YEAR AGO	118,000
SATURDAY 11/07/2020	59,000 - A WEEK AGO 64,000, YEAR AGO 63,000
WEEK TO DATE (EST)	647,000
SAME PERIOD LAST WEEK (EST)	638,000
SAME PERIOD LAST YEAR (ACT)	657,000
2020 YEAR TO DATE	27,401,000
*YEAR TO DATE	28,463,000
Percent change year to date	-3.7%
Previous week	-3.8%

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	CHOICE	SELECT
BOXED BEEF FINAL	214.32	198.49
CHANGE FROM PRIOR DAY	1.77	(0.48)
CHOICE/SELECT SPREAD:		15.83
TOTAL LOAD COUNT		115
5 DAY SIMPLE AVERAGE:	209.79	195.06

	CHOICE	SELECT
PREVIOUS WEEK 10/30/2020		
BOXED BEEF FINAL PRICE	208.10	191.24

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Based on negotiated prices and volume of boxed beef cuts delivered within 0-21 days and on average industry cutting yields. Values reflect U.S. dollars per 100 pounds

#### FINAL NOVEMBER 6, 2020

Primal Rib	400.63	333.80
Primal Chuck	174.72	171.75
Primal Round	176.72	174.04
Primal Loin	271.81	240.13
Primal Brisket	151.34	152.63
Primal Short Plate	123.61	123.61
Primal Flank	101.41	99.46



**PREVIOUS WEEK FINAL OCTOBER 30, 2020**

<b>Primal Rib</b>	<b>387.82</b>	<b>317.28</b>
<b>Primal Chuck</b>	<b>170.33</b>	<b>164.11</b>
<b>Primal Round</b>	<b>169.49</b>	<b>167.34</b>
<b>Primal Loin</b>	<b>265.08</b>	<b>236.32</b>
<b>Primal Brisket</b>	<b>152.76</b>	<b>143.97</b>
<b>Primal Short Plate</b>	<b>119.72</b>	<b>119.72</b>
<b>Primal Flank</b>	<b>95.02</b>	<b>96.74</b>

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**LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS**

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
11/05	96	32	6	15	149	212.55	198.97
11/04	111	17	18	20	166	210.19	197.05
11/03	82	38	17	14	151	209.44	195.45
11/02	87	17	23	18	145	208.65	192.62
10/30	55	26	8	18	106	208.10	191.24

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**NATIONAL BOXED BEEF CUTS - NEGOTIATED SALES** FOB Plant basis negotiated sales for delivery within 0-21-day period. Prior days sales after 1:30pm are included.  
**CURRENT VOLUME - (one load equals 40,000 pounds)**

<b>Choice Cuts</b>	<b>59.96 loads</b>	<b>2,398,349 pounds</b>
<b>Select Cuts</b>	<b>21.29 loads</b>	<b>851,400 pounds</b>
<b>Trimming</b>	<b>23.03 loads</b>	<b>921,317 pounds</b>
<b>Ground Beef</b>	<b>10.85 loads</b>	<b>434,121 pounds</b>

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**USDA BY-PRODUCT DROP VALUE (STEER) FOB CENTRAL U.S.**

[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/NW\\_LS441.TXT](https://www.ams.usda.gov/mnreports/nw_LS441.txt)

**NOVEMBER USDA LIVESTOCK REPORTS**

**CATTLE ON FEED REPORT NOVEMBER 20, 2020 AT 2:00PM CENTRAL TIME**

**COLD STORAGE REPORT NOVEMBER 23, 2020 2:00PM CENTRAL TIME**

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**USDA POSTED CATTLE PRICES ON 11/06/2020**  
**IA/MN – CASH 102.50 - 107.00 - DRESSED 165.00 - 167.00**  
**NE - CASH – 104.00 - 107.00 DRESSED 163.00 - 167.00**  
**KS – CASH 107.00 DRESSED No Reportable Trade.**  
**TX/OK/NM – 107.00 SALES FINISHED BY THURSDAY**  
**CO – Information not available due to confidentiality**

**\*\*\*National Daily Direct Cattle November 06, 2020**  
**(5 day accumulated weighted avg)**

	Weight	Price	Head
Live Steer:	1507	\$105.86	56,097
Live Heifer:	1352	\$106.25	29,248
Dressed Steer:	978	\$165.22	15,848
Dressed Heifer:	866	\$166.03	5,231

**\*\*\*National Daily Direct Cattle October 30, 2020**  
**(5 day accumulated weighted avg)**

	Weight	Price	Head
Live Steer:	1487	\$104.45	13,001
Live Heifer:	1356	\$103.94	5,824
Dressed Steer:	999	\$160.93	4,988
Dressed Heifer:	846	\$162.59	582

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Monday, if Live Cattle follow strength in US stock indexes, they should be higher. However, higher stock markets are going to be what reporters can use for a better market. Underlying support comes from packers making big bucks and the demand for boxed beef.

Boxed beef is moving. Consumers are buying up ground beef and processed beef on concerns of escalating COVID 19 and retailers are buying high cuts like rib sections ahead of holidays. Last week cash Cattle prices up to \$107.00 and this week this week look for feedlots ask \$110. Midwest still has too many overfed big cattle and look for buyers to pay up on cattle fat fit previously contracted beef orders and to deeper discount big cattle.

Choice and Select primal rib sections show demand for high end cuts for December holidays. There will be fewer December company and office parties in 2020 but people eat regardless of going to a restaurant or at home. Last spring as meat prices soared, and restaurants shut doors demand for meat didn't stop because restaurants closed, it meant people were eating more at home. Going out to a restaurant means a person isn't



at home. Last year cattle prices dropped because packers couldn't kill them as they slowed down or closed for a few weeks. Beef demand was strong. Packer profits this year should be historically high.

In 2020, many people are becoming home gourmet chefs and at the same time, people not in the labor force have shifted to lower priced cuts. As the retailers fill needs for the holidays, it is likely over the next 4 to 5 weeks, beef prices should continue to gain.

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Export net sales of 20,400 metric tonnes were moderately good, but they need to be over 25,000 metric tonnes to strengthen prices. As expected Japan and South Korea were largest buyers. Normally both countries want heavy beef cuts with high marbling. If they continue to buy as they are now., they will help clean up the biggest problem, too many and overfed cattle.

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Packers continue to forward contract at plus \$1.00 for cattle December through April and plus \$4.00 over the board May through the summer. Packers paying over means they have orders they need they know they will have to fill. It can also be a sign, they know there will be fewer cattle available.

Into 2021, cattle numbers should see a slowdown in the US. Less cows were bred during the spring and there was cow liquidation with the extreme heat and drought in the Southwest to West over the summer.

But into 2021, beef will be competing with more pork and poultry. China has 2.5 times more poultry it built up to make up for less pork. Also, China is back to 90% the hog herd pre African Swine Fever with plans of having up to 50% more by mid-2021 and plans to keep increasing. It is good for US grain producers, but it means US livestock producers have to hedge feed if they have not already done so.

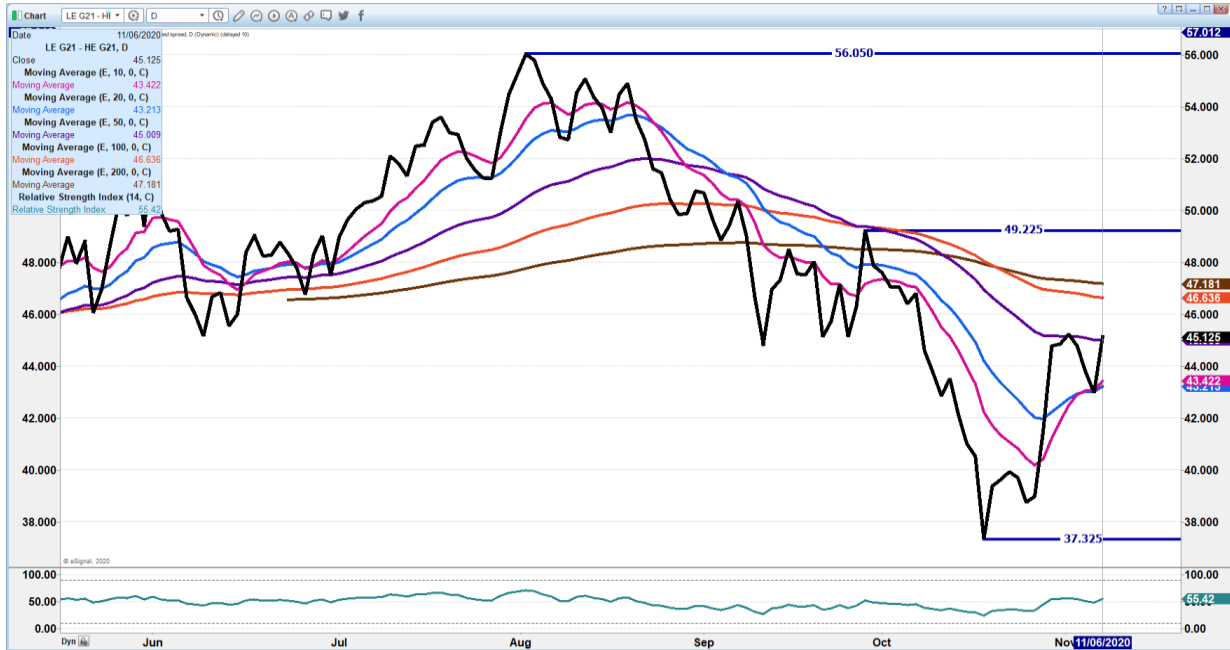
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**As of November 3, 2020,** dressed steer and heifer weights were 900.9 compared to previous week at 900.3 up .6 pound from week ago and 24 pounds over a year ago. Grading percent was 81.5%, down compared to previous week at 81.0%.

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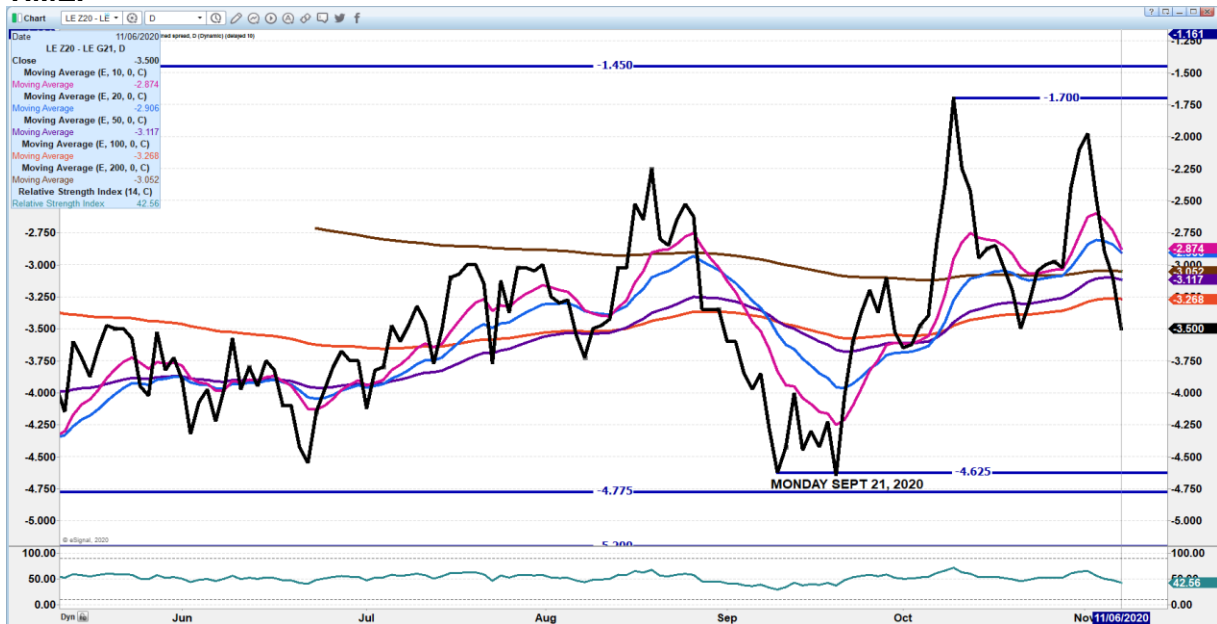
## CHARTS ARE ON MORNING REPORTS

**FEBRUARY 2021 LIVE CATTLE/FEBRUARY 2021 LEAN HOG SPREAD - MOVING FORWARD, LOOK FOR CONTINUED STRENGTH ON CATTLE OVER HOGS.**





**DECEMBER 2020/FEBRUARY 2021 LIVE CATTLE SPREAD - TRADERS ROLLING OUT OF DECEMBER TO FEBRUARY TAKING PLACE NOW. SPREAD IS NOT WIDE AT THIS TIME.**

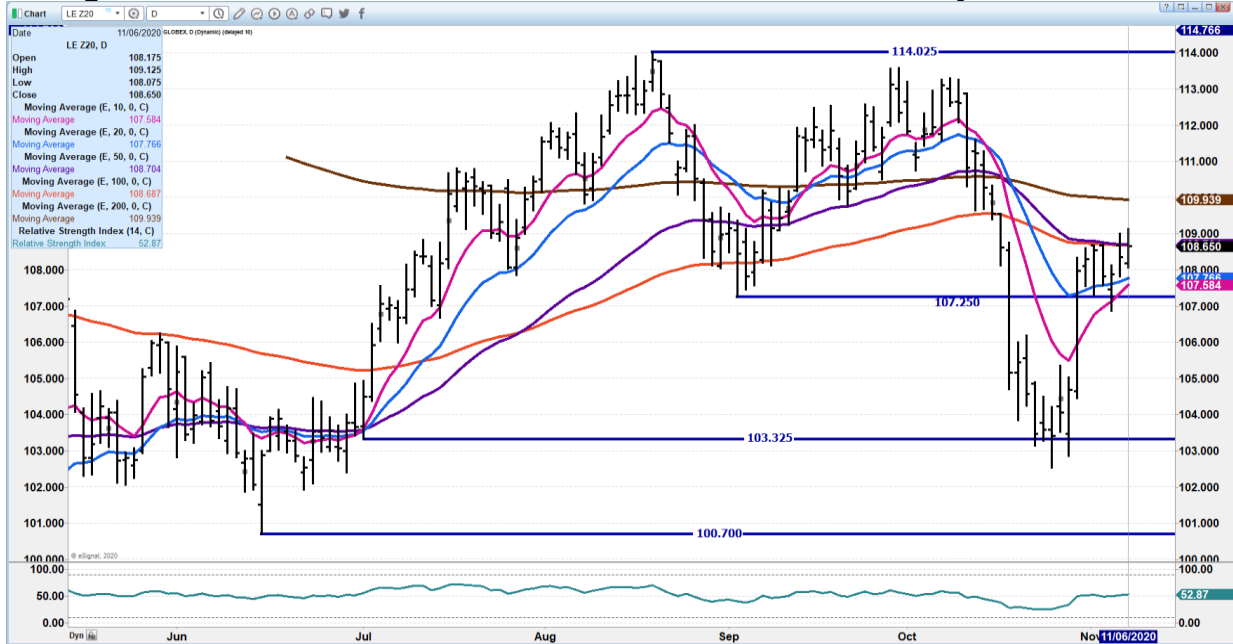


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**DECEMBER 2020 LIVE CATTLE - Stopped at resistance at 50 and 100 day moving averages. Next resistance 109.97 RSI at 52 neutral. Volume on Friday 32.616**



**FEBRUARY 2021 LIVE CATTLE – Volume 23,627 Closed above resistance at 112.000 Next resistance at 113.10 to 116.52 RSI at 56 is not overbought**

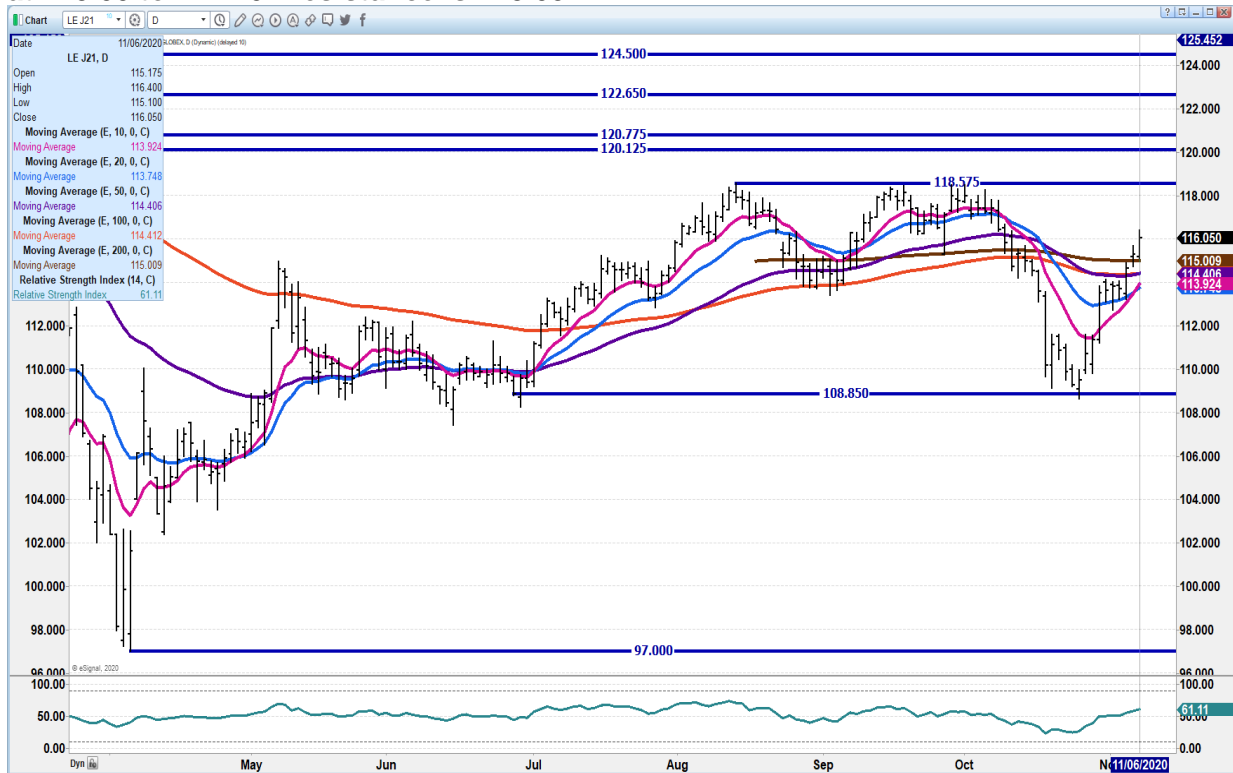


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**APRIL 2021 LIVE CATTLE – Above all moving averages. 200 day average now is support at 115.00 to 114.40 Resistance is 118.05**



**Feeder Cattle**

**THE CME FEEDER INDEX ON 11/05/2020 WAS 136.63 DOWN 1.28 FROM PREVIOUS DAY**

**NOVEMBER 2020 FEEDER CATTLE FUTURES SETTLED ON NOVEMBER 6, 2020 AT \$137.70**

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**NATIONAL FEEDER & STOCKER SUMMARY - WEEK ENDING 11/06/2020**

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
<b>THIS WEEK:</b>	<b>222,900</b>	<b>26,800</b>	<b>18,800</b>	<b>268,500</b>
<b>LAST WEEK:</b>	<b>187,500</b>	<b>11,100</b>	<b>2,100</b>	<b>200,700</b>
<b>YEAR AGO:</b>	<b>360,400</b>	<b>49,600</b>	<b>23,900</b>	<b>433,900</b>

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**COMPARED TO LAST WEEK, STEER AND HEIFER CALVES SOLD 3.00 TO 7.00 HIGHER, WITH THE MOST ADVANCE ON THE LIGHTER WEIGHT CALVES. YEARLING STEERS AND HEIFERS SOLD 2.00 TO 5.00 HIGHER AS DEMAND WAS GOOD THROUGHOUT THE COUNTRY THIS WEEK. BUYERS WERE VERY WILLING TO BID UP ON CALVES THIS WEEK IN MOST AREAS NATIONWIDE AFTER LAST WEEK'S LACKLUSTER VOLUME. THE FALL MARKETING SEASON IS PROGRESSING AS REPUTATION CALVES WERE IN DEMAND IN THE NORTHERN PLAINS**

[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/SJ\\_LS850.TXT](https://www.ams.usda.gov/mnreports/SJ_LS850.TXT)

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**CHARTS ARE ON MORNING REPORTS**

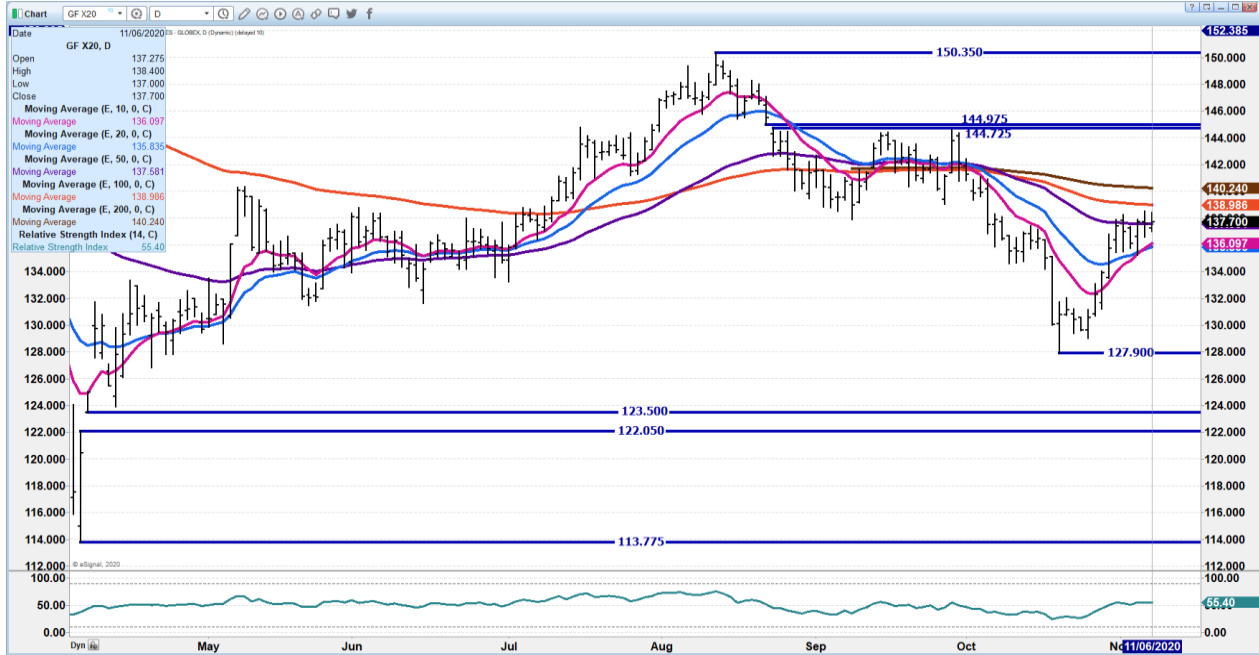
**JANUARY 2021/MARCH 2021 FEEDER CATTLE SPREAD – JANUARY ABOVE MARCH IS FRIENDLY.**



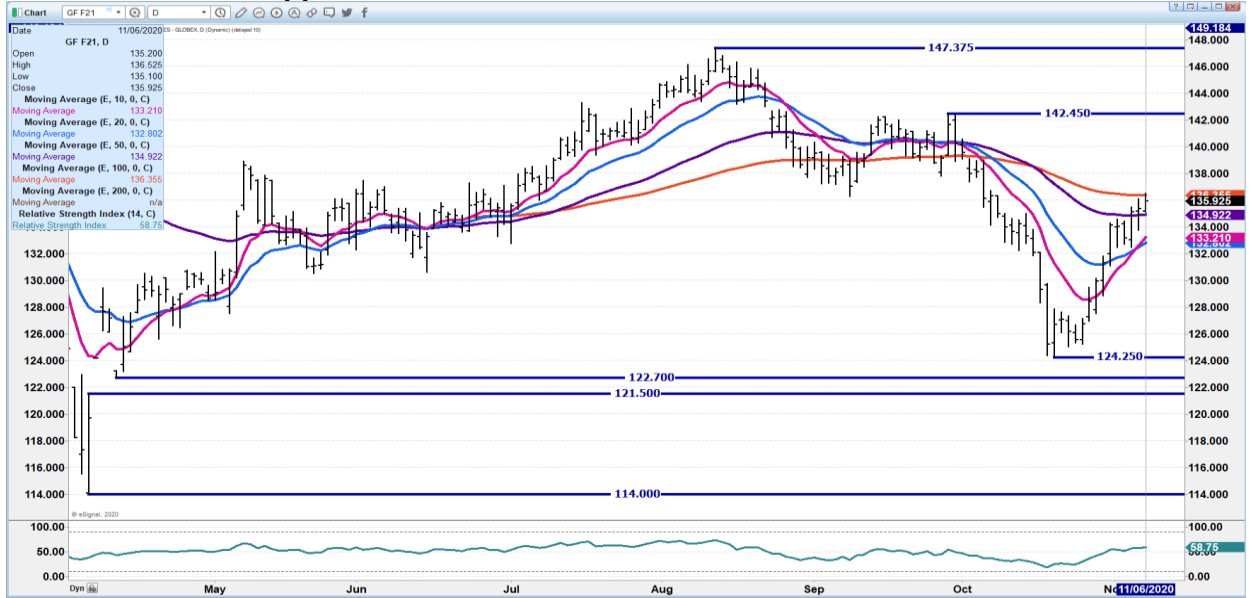




**NOVEMBER 2020 FEEDER CATTLE - RESISTANCE AT 139.00 TO 140.25 SUPPORT AT 136.07 RSI AT 55**



**JANUARY 2021 FEEDER CATTLE – Stopped at 100 day moving average. Next resistance 138.85 to 142.45 Support at 134.87 to 133.25**



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## LEAN HOGS

### USDA ESTIMATED FEDERAL HOG SLAUGHTER

NOVEMBER 6, 2020	488,000	
WEEK AGO	485,000	
YEAR AGO	484,000	
SATURDAY 11/07/2020	260,000-	A WEEK AGO 251,000 - YEAR AGO 243,000
WEEK TO DATE (EST)	2,713,000	
SAME PERIOD LAST WEEK (EST)	2,683,000	
SAME PERIOD LAST YEAR (ACT)	2,698,000	
2020 YEAR TO DATE	111,041,000	
2019 *YEAR TO DATE	110,018,000	

PERCENT CHANGE YEAR TO DATE .9% COMPARED TO PREVIOUS WEEK AT .9%

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CME CASH HOG INDEX 11/04/2020 AT 71.52 DOWN .53 FROM PREVIOUS DAY  
**CME CASH HOG INDEX 10/28/2020 AT 75.49**

CME CASH PORK CUTOUT INDEX 11/05/2020 AT 83.77 DOWN .22 FROM PREVIOUS DAY  
**CME CASH PORK CUTOUT INDEX 10/29/2020 AT 88.95**

CME CASH FRESH BACON INDEX ON 10/30/2020 WAS 188.44 COMPARED TO 10/23/2020 WAS 222.45

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Slight improvement in the pork carcass from a week ago. Of course if hams were to dump anytime, with 75.00 to 80.00 loins it would probably go downhill fast. The emphasis is on hams and loins because they make up 50% of the cutout. Mexico remains the week after week consistent best buyer and strong Peso could insure Mexico buying until it breaks. More than likely they have long term contracted pork and current buyers are the users that buy hand to mouth and are squeezed to pay what sellers want for what is available.

Loins will be shown at the holidays in December. Over next 4 to 5 weeks, loins could trade over hams with a break on the ham market. Christmas is a holiday in Mexico that is celebrated for a couple weeks and in some regions slows down to shuts down working. Mexico could easily back off for a couple weeks.



A year ago China began to buy big in November and December. Several reports say they have 30% more pork than they did a year ago. They do have more in storage but look for a pick up in sales over next two months. Last year the Chinese New Year Festival began on January 24 and ended on January 30<sup>th</sup>. In 2021 it is about two weeks later and begins on February 11<sup>th</sup> and ends on February 17<sup>th</sup> so if needed they have two more weeks in 2021 and they are starting out with more pork in storage and a larger hog herd. A year ago, COVID 19 locked down most of China limiting travel and big celebrations but there were still celebrations. China now has strict policies in place and hasn't seen a winter breakout this year. Unlike a year ago China is checking loads of any commodity and exporters need to be aware if found, China will stop exports from plants where it has been found.

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Moving into December and 2021 look for fewer hogs. Unless packers have a lot of their own hidden and can bring them to kill, the problems of last spring and fewer sows bred will start to be more noticeable. However, global numbers are increasing and that is negative to US hogs.

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**Pork Cutout Futures and Options Fact Card**

<https://www.cmegroup.com/education/articles-and-reports/pork-cutout-futures-and-options-fact-card.html>

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**USDA MARKET NEWS**

Based on negotiated prices and volume of pork cuts delivered within 14 days and on average industry cutting yields.

Calculations for 215 lb Pork Carcass. 55-56% lean, 0.55"-0.70" BF Last Rib

**NATIONAL DAILY PORK REPORT FOB PLANT - NEGOTIATED SALES**

**NOVEMBER 6, 2020**

**LOADS OF PORK CUTS: 273.95**

**LOADS TRIM/PROCESSED PORK: 33.63**

**FINAL**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
11/06/2020	307.57	84.06	76.11	80.66	63.22	128.89	88.03	110.65
CHANGE :		-2.32	.29	2.32	1.65	1.92	-10.33	-2.27
Five Day Average --		84.00	74.96	79.20	60.82	131.34	89.15	112.40

**FINAL PREVIOUS WEEK'S CLOSE**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
10/30/2020	312.76	83.80	74.02	75.95	58.37	127.99	83.85	124.70



**NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE  
SLAUGHTER DATA FOR NOVEMBER 5, 2020**

Average live weight - 286.78  
Average carcass - 214.38

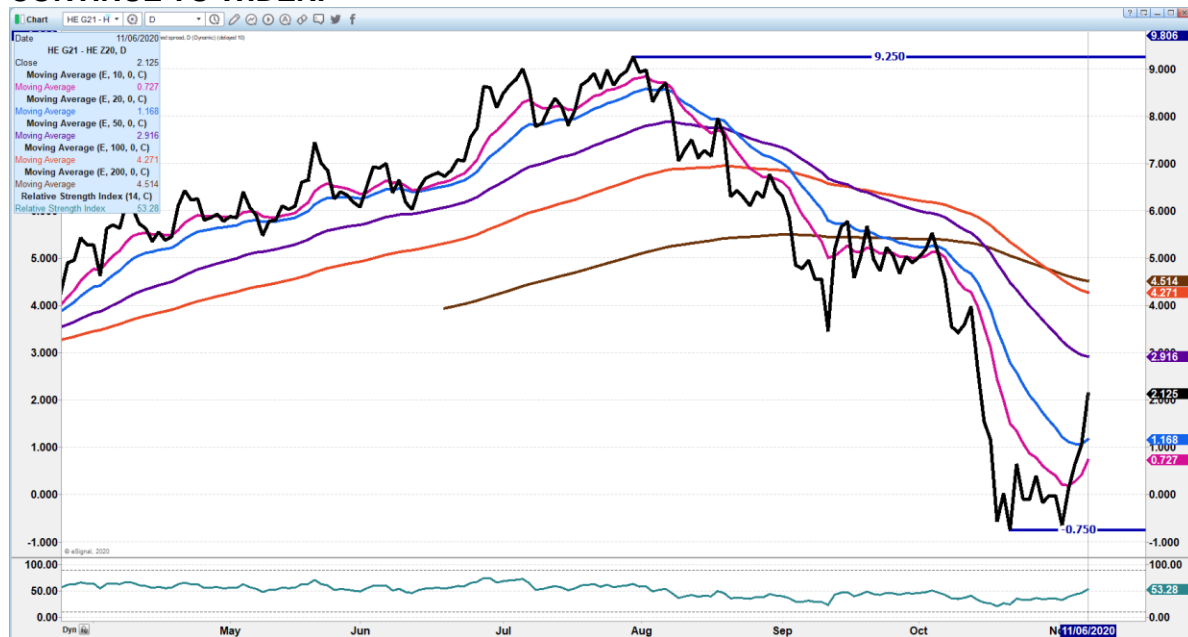
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**DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM November 06, 2020  
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**  
Carcass Base Price: \$54.00 - \$62.67  
Weighted Average: \$60.18  
Change from Prior Day: 0.95 lower  
HOGS SOLD: 4,214

**SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)  
PRICE RANGE: \$59.96 - \$81.95  
Weighted Average: \$70.16  
Previous Day: \$69.51  
HOGS SOLD: 162,170**

[https://www.ams.usda.gov/mnreports/lm\\_hq203.txt](https://www.ams.usda.gov/mnreports/lm_hq203.txt)

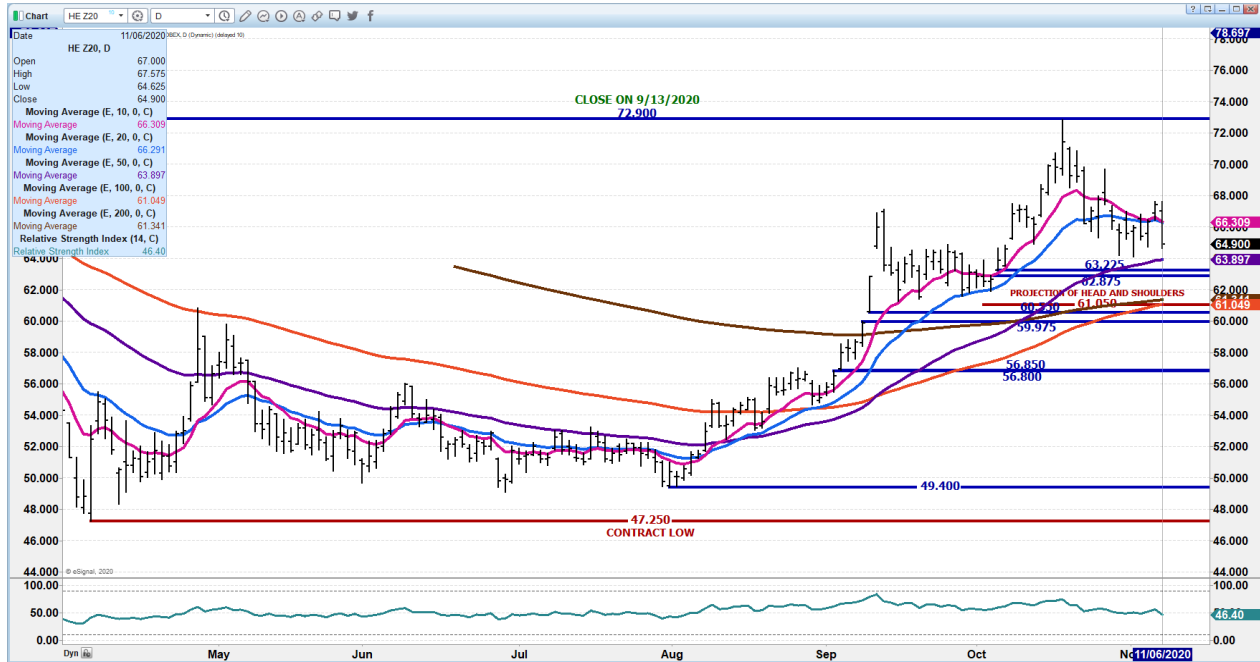
**FEBRUARY 2021/DECEMBER 2020 LEAN HOG SPREAD LOOK FOR SPREAD TO  
CONTINUE TO WIDEN.**







**DEC 2020 LEAN HOGS – SUPPORT 63.87 TO 62.87 RESISTANCE AT 66.32 TO 67.75**



**FEBRUARY 2021 LEAN HOGS – DROPPED AND STOPPED AT 10 DAY MOVING AVERAGE.. SUPPORT AT 65.85 TO 65.32 RESISTANCE AT 67.45 TO 68.47**

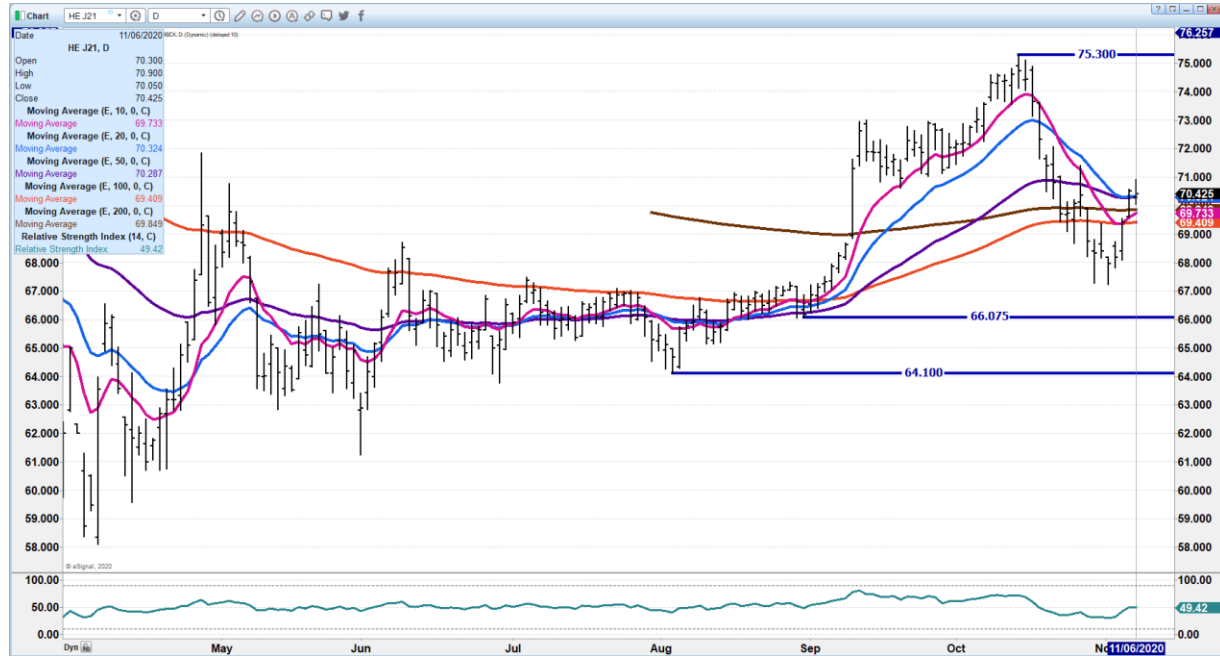


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**APRIL 2021 LEAN HOGS – SUPPORT AT 69.70 TO 69.37 RESISTANCE AT 71.40**



**JUNE 2021 LEAN HOGS – Strong close above all moving averages. Support at 79.30 Resistance at 81.85**



**CHARTS FROM ESIGNAL INTERACTIVE, INC.**

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