



MORNING November 13, 2020 Livestock Report

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

NOVEMBER 12, 2020	120,000
WEEK AGO	120,000
YEAR AGO	121,000
WEEK TO DATE (EST)	472,000
SAME PERIOD LAST WEEK (EST)	479,000
SAME PERIOD LAST YEAR (ACT)	472,000

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	CHOICE	SELECT
BOXED BEEF FINAL	226.50	208.24
CHANGE FROM PRIOR DAY	3.66	(0.22)
CHOICE/SELECT SPREAD:		18.26
TOTAL LOAD COUNT		90
5 DAY SIMPLE AVERAGE:	217.87	203.37

PREVIOUS WEEK 11/06/2020	CHOICE	SELECT
BOXED BEEF FINAL PRICE	214.32	198.49

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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 12, 2020

Primal Rib	429.06	348.43
Primal Chuck	188.02	183.06
Primal Round	187.16	186.72
Primal Loin	282.54	248.69
Primal Brisket	152.86	148.03
Primal Short Plate	126.93	126.93
Primal Flank	103.71	101.88



FINAL NOVEMBER 11, 2020

Primal Rib	412.96	346.60
Primal Chuck	184.79	183.89
Primal Round	184.26	184.58
Primal Loin	280.30	250.75
Primal Brisket	155.41	148.68
Primal Short Plate	128.72	128.72
Primal Flank	103.79	103.62

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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
11/11	90	29	5	23	147	222.84	208.46
11/10	96	20	13	8	136	222.25	208.55
11/09	64	20	18	21	122	217.39	202.37
11/06	60	21	23	11	115	214.32	198.49
11/05	96	32	6	15	149	212.55	198.97

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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)

Choice Cuts	51.05 loads	2,042,050 pounds
Select Cuts	13.30 loads	531,969 pounds
Trimming	12.27 loads	490,741 pounds
Ground Beef	13.24 loads	529,597 pounds

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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)

Export Sales for Week Ending November 5, 2020 on last page of report

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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



USDA POSTED CATTLE PRICES ON 11/12/2020

IA/MN – CASH 107.00 - 110.00 AVERAGE WEIGHT 1524.9. - DRESSED 170.00 - 172.00

NE - CASH – 108.00 - 110.00.- 172.00 - 172.50

KS – CASH 110.00 - 110.00 DRESSED 172.00 - 173.00

TX/OK/NM – 110.75 - 111.00

CO – Information not available due to confidentiality

*****National Daily Direct Cattle November 12, 2020**

(5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1524	\$106.16	30,362
Live Heifer:	1364	\$106.35	12,844
Dressed Steer:	969	\$166.62	12,394
Dressed Heifer:	864	\$166.49	4,861

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Cash cattle sold for \$110 with a few head up to \$110.00 with a few feedlots in the Southwest willing sell if they get \$110.00. If they don't get it this week, they will next week. Southwest cattle have the advantage over Midwest cattle because they have the lower weights packers need.

When it all boils down, beef is moving, and packers want to kill cattle.

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As I have been pointing out, rib roast for the holidays and ground beef for the freezer are pushing boxed beef higher. Retailers are stocking up on rib roast for the December holidays and consumers are filling freezers with ground beef. Personal money supply, M1 and M2 are going up. 80 percent and more people in the U.S. have big disposable income to spend on the holidays. They may not be going out to eat, but they are eating at home. At the same time because they are concerned of possible lockdowns, and there could be a run on meat similar to last spring, people are filling freezers with ground beef. Many stores will be advertising beef roasts for the holidays and in another part of the advertising flyer, they will have ground beef priced with the amount consumers can buy at one time.

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As the cutout moves higher, packer margins are increasing. When packers are making \$300 to \$400/head, they want every shackle connected to a hoof. I am actually surprised cattle producers are not protesting the spread between feedlot prices and packer margins. They did when spreads were at current levels in August 2019 after the Tyson fire and March 2020 when consumers cleaned out the shelves at stores.



Midwest still has too many heavy cattle. Average S total steer weights are over 1500 pounds. Because of the demand for ground beef and trimmings large cuts are not plugging up the beef trade but if demand drops for the lower cost beef, cattle buyers will deep discount even more than they are now.

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Countries such as China are inspecting shipments for the virus. Don't be surprised if it might be found in load of meats or grain shipped from the US.

Be prepared for any possible situation that COVID 19 may or may not do. COVID 19 is not going away and it is expected to increase throughout the next few months. A packer in New Mexico this week was shut down and the packer is taking New Mexico to court. Depending on the outcome, it is a test case.

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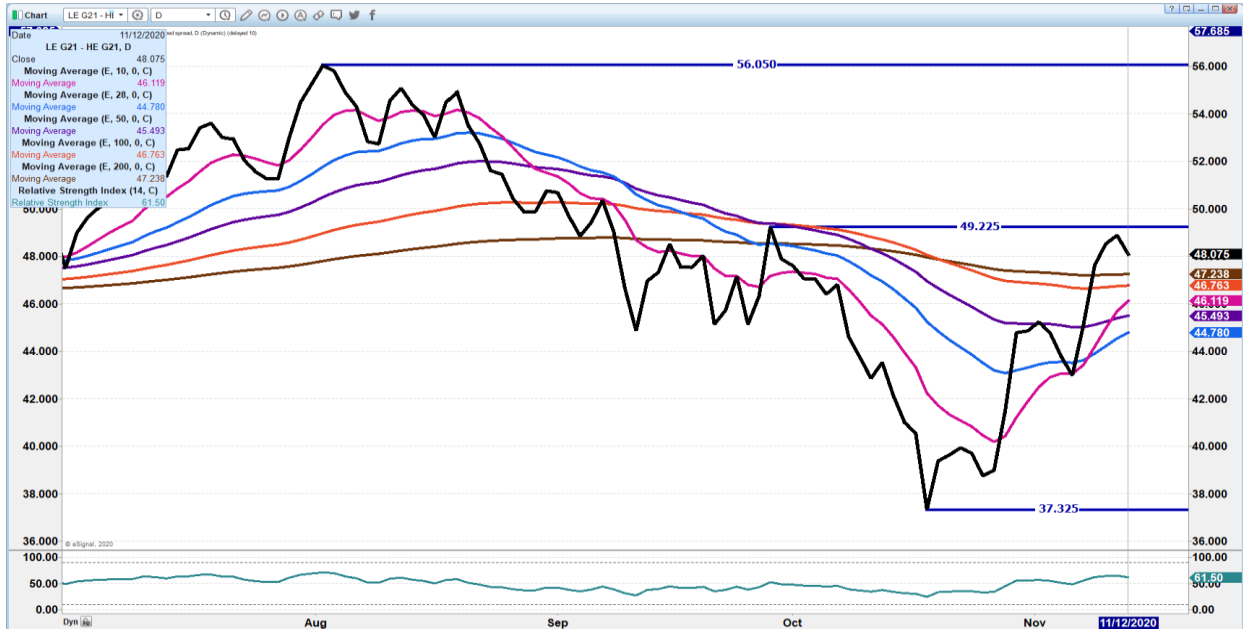
Packers continue to forward contract at plus \$1.00 for cattle December through April and plus \$4.00 over the board May through the summer. Packers paying over means they have orders they need they know they will have to fill. It can also be a sign, they know there will be fewer cattle available.

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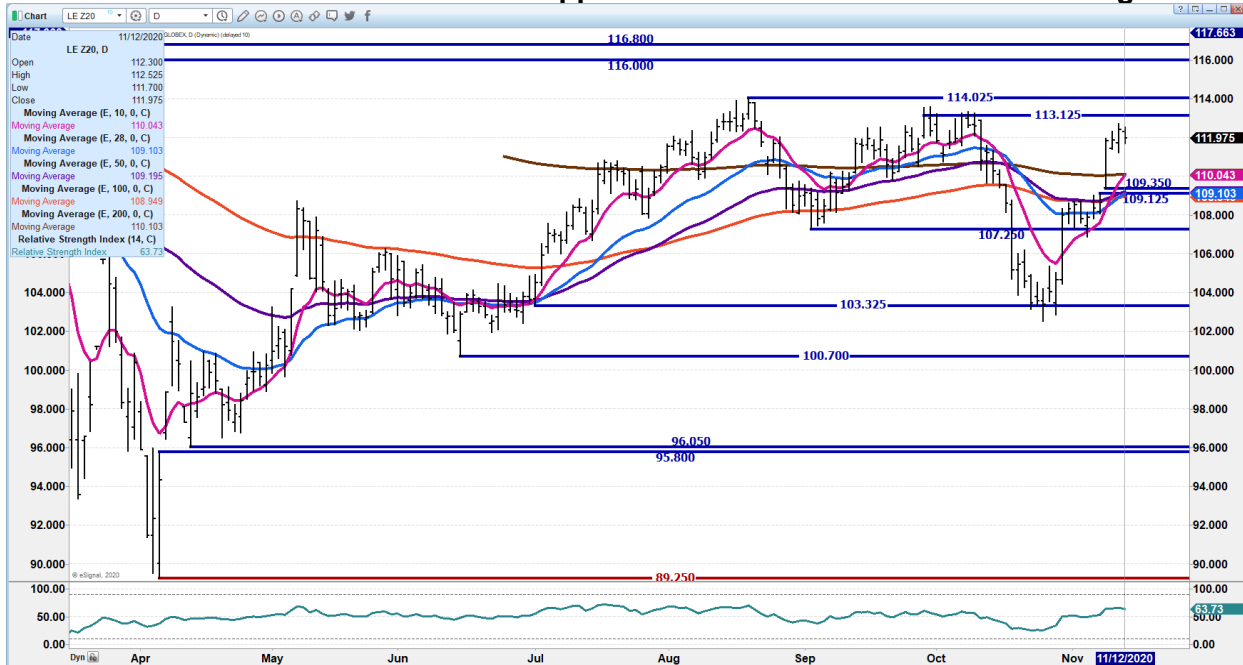
As of November 10, 2020, dressed steer and heifer weights were 891.2 compared to previous week at 900.9 down 9.7 pounds from week ago and 18 pounds over a year ago compared to a week ago up 24 pounds. Grading percent was 81.6%, down compared to previous week at 81.5%.

CHARTS ARE ON MORNING REPORTS

FEBRUARY 2021 LIVE CATTLE/FEBRUARY 2021 LEAN HOG SPREAD - SLIGHT PULL BACK AS HOGS GAINED THURSDAY. DEMAND FOR BEEF STRONGER THAN PORK SHOULD CONTINUE TO SEE SPREAD FAVOR CATTLE

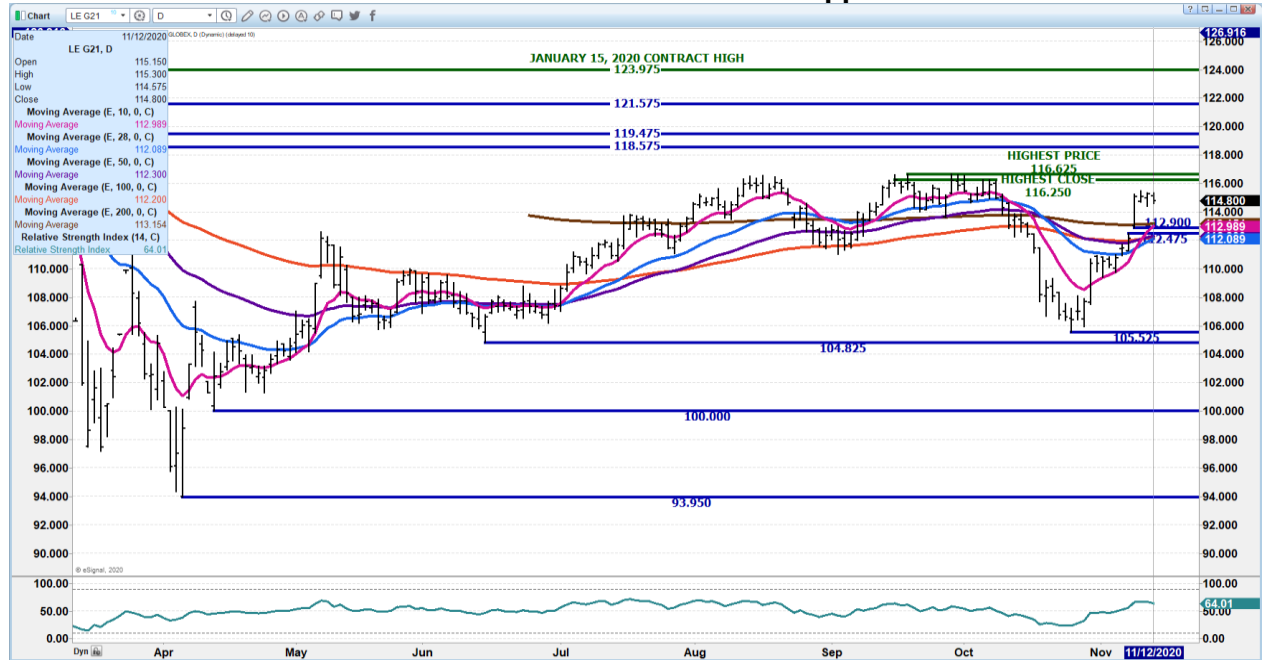


DECEMBER 2020 LIVE CATTLE - With strength in cash Thursday's drop should be over. Resistance at 113.12 to 114.02 Support at 110.05 RSI at 63 is not overbought

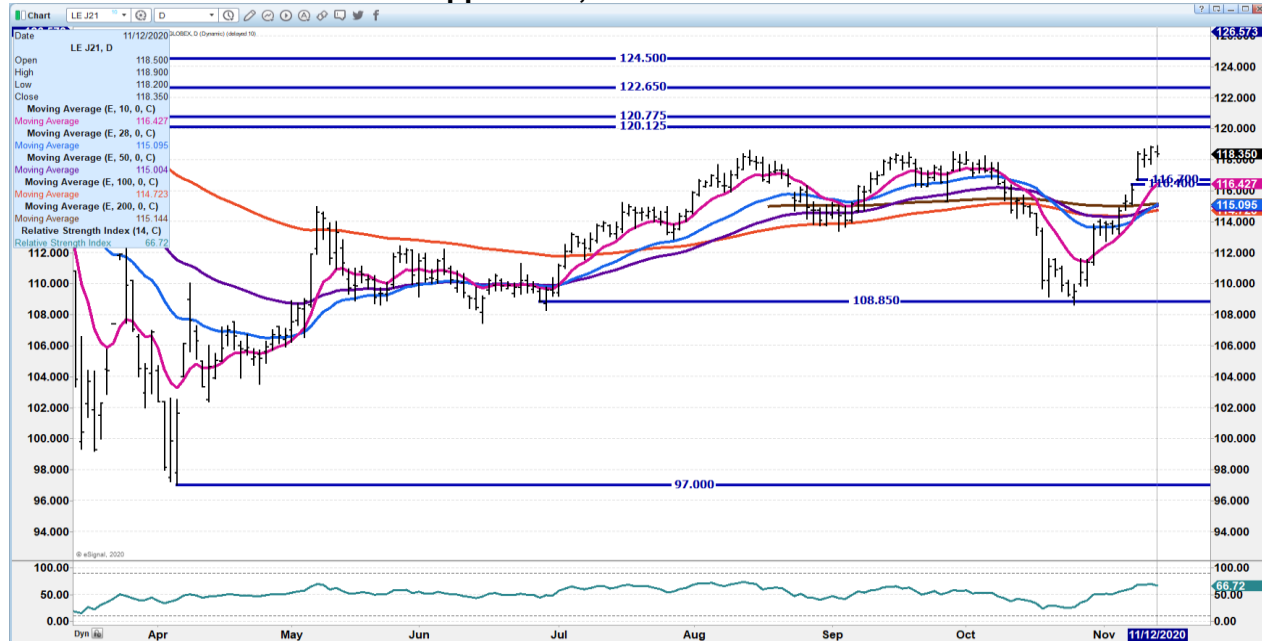




FEBRUARY 2021 LIVE CATTLE – Resistance at 116.25 Support at 113.25 to 112.37



APRIL 2021 LIVE CATTLE – Support 116,30 to 115.10 Resistance at 120.15



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Feeder Cattle

THE CME FEEDER INDEX ON 11/10/2020 WAS 136.707 UP .73 FROM PREVIOUS DAY –

NOVEMBER 2020 FEEDER CATTLE FUTURES SETTLED ON NOVEMBER 12, 2020 AT \$140.07

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**OKLAHOMA NATIONAL STOCKYARDS FEEDER CATTLE - OKLAHOMA CITY, OK
MONDAY NOV 9, 2020**

	THIS WEEK	LAST REPORTED 11/2/2020	LAST YEAR
TOTAL RECEIPTS:	11,300	2,661	8,206

COMPARED TO LAST WEEK'S LIGHT TEST: FEEDER STEERS 5.00-8.00 HIGHER, FEEDER HEIFERS STEADY TO 5.00 HIGHER THAN LAST WEEK'S LIMITED OFFERINGS. STEER AND HEIFER CALVES 4.00-10.00 HIGHER. DEMAND GOOD FOR FEEDER CATTLE, ESPECIALLY HEAVIER WEIGHTS.

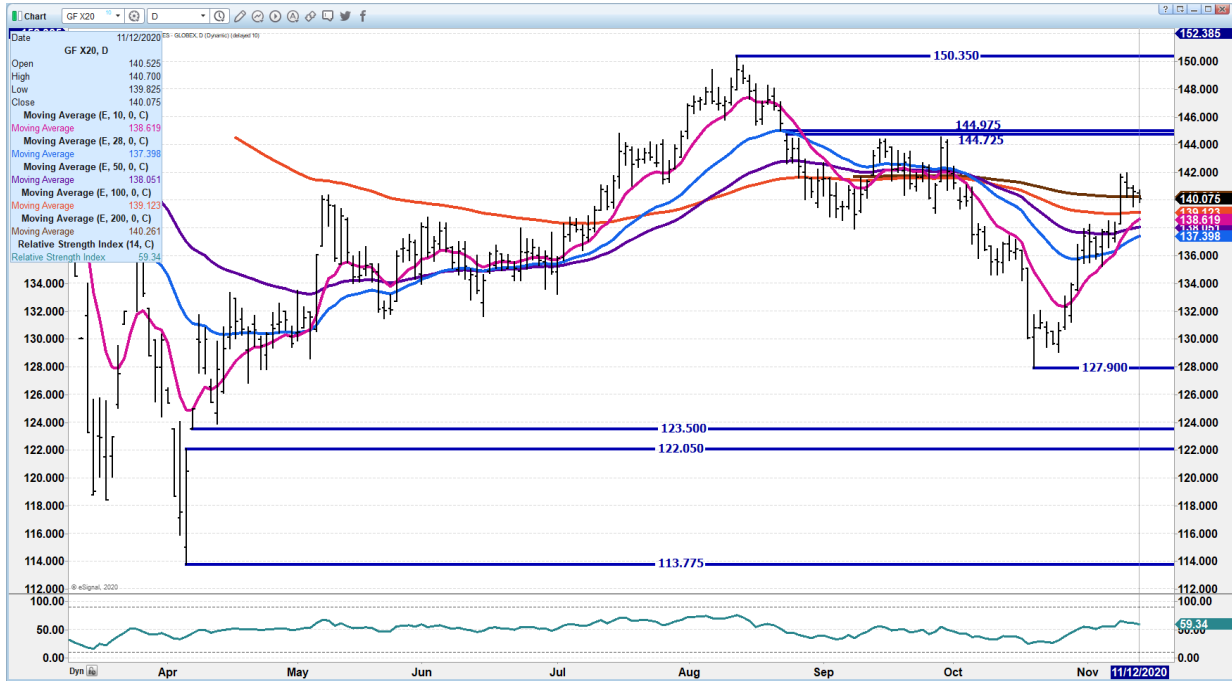
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JANUARY 2021/MARCH 2021 FEEDER CATTLE SPREAD – NARROWING IS BULLISH





NOVEMBER 2020 FEEDER CATTLE - SUPPORT AT 136 65 RESISTANCE 142.00



JANUARY 2021 FEEDER CATTLE – Support 137.27 Resistance at 142.00



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

NOVEMBER 12, 2020	492,000
WEEK AGO	490,000
YEAR AGO	491,000
WEEK TO DATE (EST)	1,932,000
SAME PERIOD LAST WEEK (EST)	1,965,000
SAME PERIOD LAST YEAR (ACT)	1,921,000

****REVISED WEDNESDAY HOG SLAUGHTER..454,000 PREVIOUS ESTIMATE WAS 459,000**
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CME CASH HOG INDEX 11/10/2020 AT 71.37 UP 12 FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 11/11/2020 AT 84.30 UP 17 FROM PREVIOUS DAY

**CME CASH FRESH BACON INDEX ON 11/06/2020 WAS 158.37 COMPARED TO
10/30/2020 WAS 188.44**

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Cutout down Thursday with futures up as December futures moved up to move closer to current CME Hog Index at 71.37 compared to December futures settling at 65.80. Loins up 4.14 and cancelled out with hams down 6.28. For the week the cutout is down 98 cents.
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Naturally, the pork carcass cutout receives the most attention, but variety meats, heads and feet are products that can add or subtract from \$4.00/cwt to \$5.00/cwt on the price of a hog. For the year, pork variety meat sales are down 6 percent. Mainland China, Hong Kong and Mexico are the biggest buyers of US variety meats. For the first 9 months of 2020, sales to China are up 39%. Hong Kong down 70% and Mexico down 23%. For September 2020 compared to September 2019 China increased by 19.7%, Hong Kong fell by 93.9% and Mexico fell by 23.4%. Japan and South Korea were large buyers in the past but for the year are down ,48% for Japan and 42% for South Korea. With mainland China in 2020 taking over 90% from Germany up to the ban because wild hogs were found with ASF, US variety meats picked up to China, but other countries took up where China dropped off and US sales increased to China but fell to other countries.

In other words, increasing sales to China on variety meats were cancelled out when the other countries slowed US exports.



With China cancelling pork exports from China, Germany didn't stop selling pork. For the last quarter of 2021 look for countries such as Mexico, Hong Kong, Japan, and South Korea to take a lesser percentage of US pork and more from Germany and Brazil. For the first 3 quarters of 2020 sales to South Korea are down 21%, but up 4% to Japan. Not a surprise sales to South America, Columbia, Chile and Peru are down 30%, unchanged to Central America. Because of increasing hogs in Brazil and these countries part of Mercosur, they are obligated to take more from Brazil.

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Mexican Peso strong. Strength in Peso is positive to hams, and bellies. Mexico has been a big buyer this year. They could be at point where storage is full and need to slow down, but with strength in Peso can't see why they would stop buying pork. However, Mexico also buys pork from Brazil and in 2020 a new trade agreement increased imports from Brazil. From January - September 2020 year to date exports compared to 2019 are down 4 percent. For September 2020 compared to 2019 exports are up 2.4 percent

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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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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 12, 2020

LOADS OF PORK CUTS: 258.04

LOADS TRIM/PROCESSED PORK: 32.41

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
11/12/2020	290.45	83.08	75.25	81.74	70.36	134.11	84.27	103.69
CHANGE :		-0.06	4.14	1.62	4.17	0.80	-6.28	-0.79
Five Day Average --		83.79	74.73	80.96	67.10	131.80	88.49	106.57

FINAL PREVIOUS WEEK'S CLOSE

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



**NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE
SLAUGHTER DATA FOR NOVEMBER 11, 2020**

Average live weight - 287.52
Average carcass - 215.79

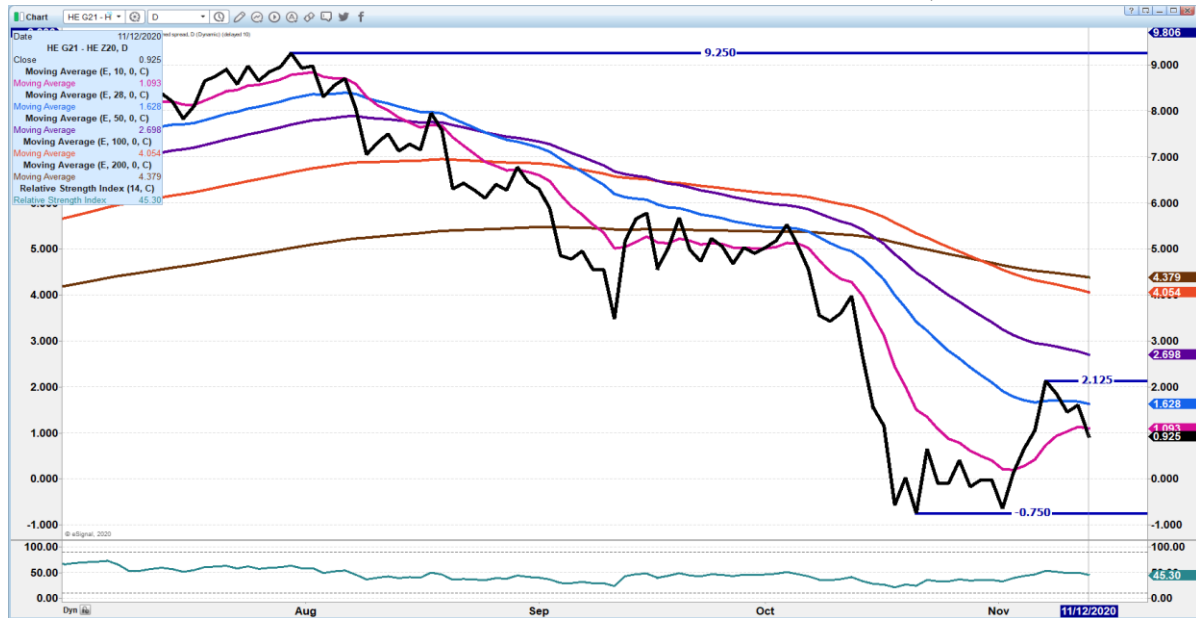
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DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM November 12, 2020
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES
Carcass Base Price: \$55.00 - \$61.00
Weighted Average: \$60.17
Change from Prior Day: 1.02 lower
HOGS SOLD: 7,224

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)
PRICE RANGE: \$59.98 - \$78.98
Weighted Average: \$69.735
Previous Day: \$59.76
HOGS SOLD: 161,448

https://www.ams.usda.gov/mnreports/lm_hq203.txt

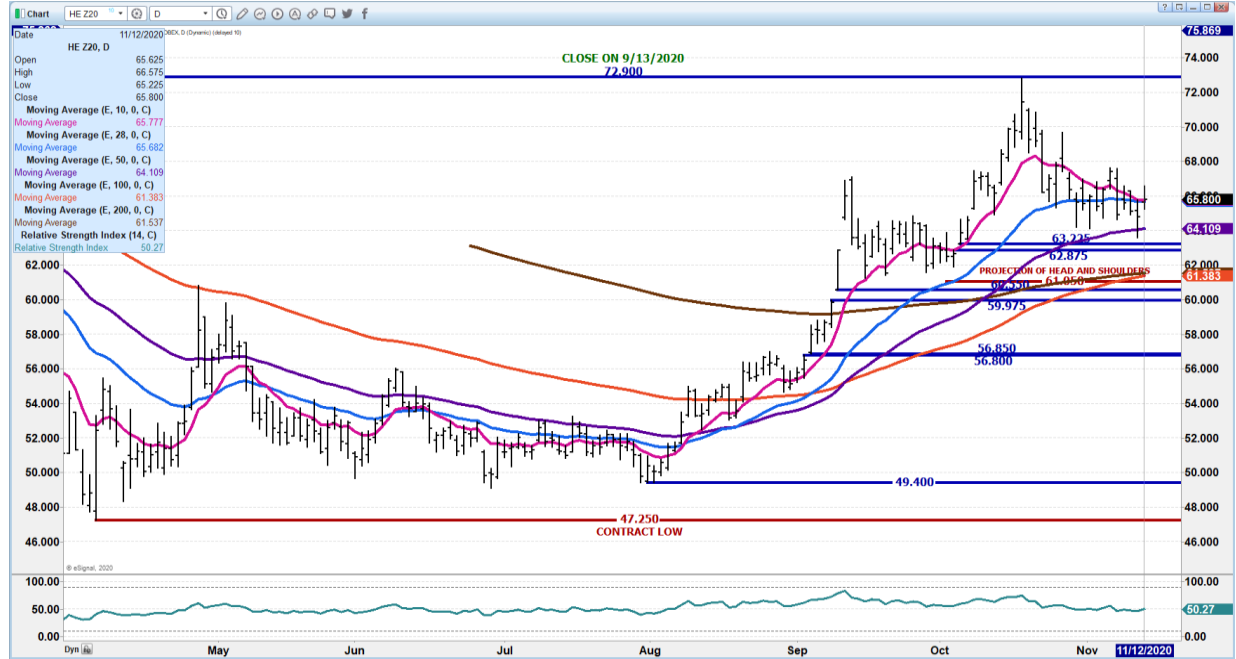
**FEBRUARY 2021/DECEMBER 2020 LEAN HOG SPREAD - SPREAD REVERSED THIS
WEEK AND BELOW 10 DAY AVERAGE. A LOWER CLOSE AND LIQUIDATE SPREAD**



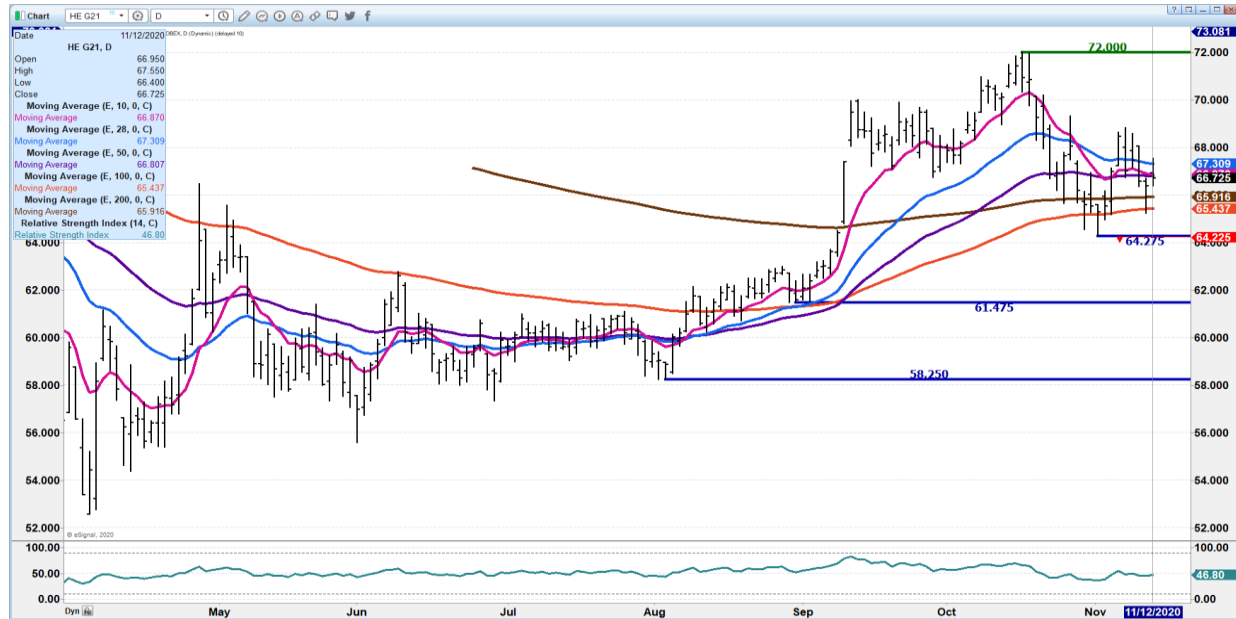
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DECEMBER 2020 LEAN HOGS – DROPPED TO CONVERGENCE OF 10 AND 20 DAY MOVING AVERAGE SUPPORT AT 65.65. NEXT SUPPORT AT 64.07 REISTANCE AT 67.50



FEB 2021 LEAN HOGS – RESISTANCE AT 66.87 TO 67.30 SUPPORT AT 65.90 TO 65.37

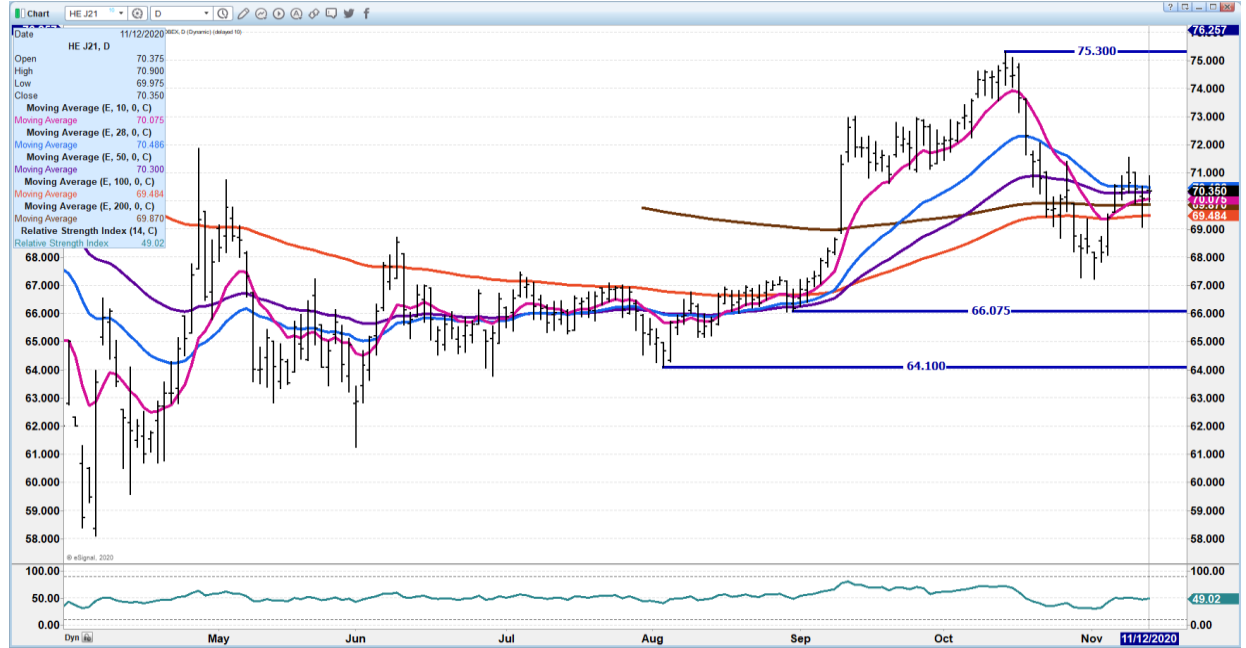


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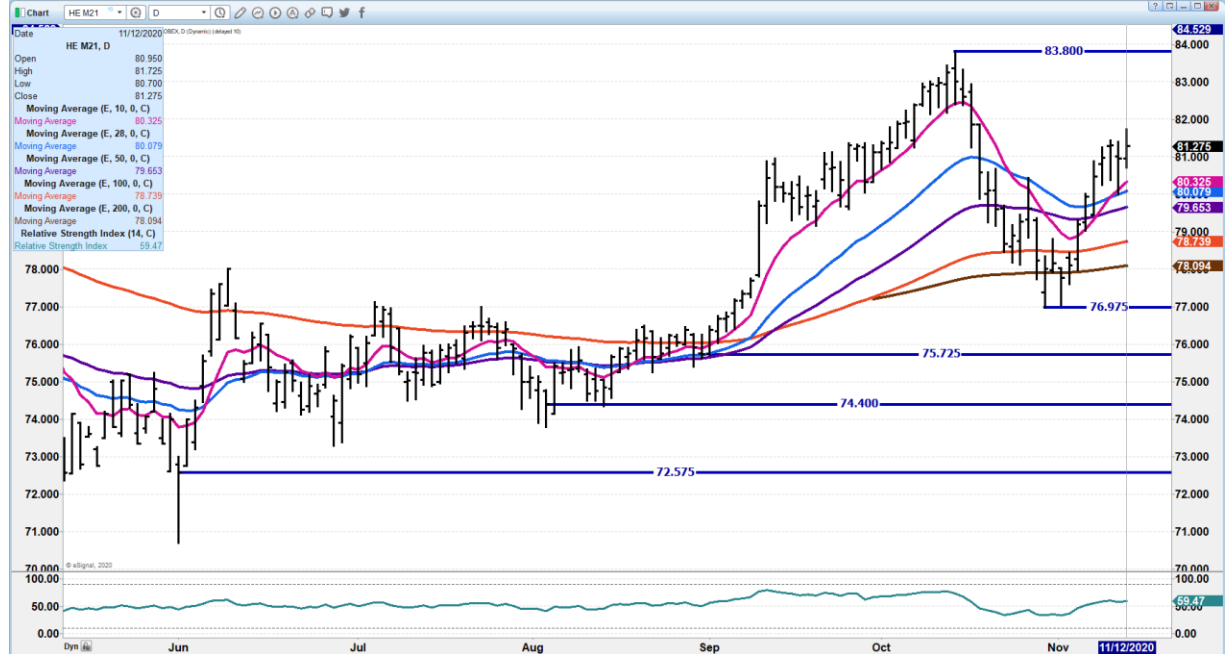
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APRIL 2021 LEAN HOGS – SUPPORT AT 70.07 TO 69.50 RESISTANCE AT 70.50 TO 71.55



JUNE 2021 LEAN HOGS – Support at 89.30 to 79.65 Resistance at 81.87



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Beef: Net sales of 14,300 MT reported for 2020 were down 30 percent from the previous week and 23 percent from the prior 4-week average. Increases primarily for China (3,500 MT), Japan (3,100 MT, including decreases of 300 MT), Canada (1,900 MT), South Korea (1,300 MT, including decreases of 100 MT), and Taiwan (1,300 MT, including decreases of 100 MT), were offset by reductions primarily for Kuwait (100 MT). For 2021, net sales of 3,300 MT were primarily for South Korea (2,500 MT) and Taiwan (600 MT). Exports of 14,200 MT were down 34 percent from the previous week and 22 percent from the prior 4-week average. The destinations were primarily to Japan (4,400 MT), South Korea (2,200 MT), China (1,900 MT), Hong Kong (1,500 MT), and Mexico (1,400 MT).

Pork: Net sales of 42,500 MT reported for 2020 were up 1 percent from the previous week and 36 percent from the prior 4-week average. Increases were primarily for China (21,100 MT, including decreases of 800 MT), Mexico (9,900 MT, including decreases of 800 MT), Japan (6,600 MT, including decreases of 100 MT), South Korea (1,200 MT, including decreases of 900 MT), and Canada (900 MT, including decreases of 400 MT). For 2021, net sales of 16,100 MT were primarily for China (9,400 MT) and Australia (6,100 MT). Exports of 38,100 MT were up 1 percent from the previous week and 3 percent from the prior 4-week average. The destinations were primarily to China (13,100 MT), Mexico (11,000 MT), Japan (4,500 MT), Canada (2,000 MT), and South Korea (1,900 MT).

CHARTS FROM ESIGNAL INTERACTIVE, INC.

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