



FRIDAY MORNING December 11, 2020 Livestock Report

by Chris Lehner | 312.242.7942 | chris.lehner@admis.com

CATTLE

USDA FEDERAL CATTLE SLAUGHTER

DECEMBER 10, 2020	120,000
WEEK AGO	120,000
YEAR AGO	122,000
WEEK TO DATE (EST)	474,000
SAME PERIOD LAST WEEK (EST)	481,000
SAME PERIOD LAST YEAR (ACT)	491,000

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	CHOICE	SELECT
BOXED BEEF FINAL	214.59	198.47
CHANGE FROM PRIOR DAY	(3.67)	(3.18)
CHOICE/SELECT SPREAD:		16.12
TOTAL LOAD COUNT		185
5 DAY SIMPLE AVERAGE:	229.66	210.80

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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 DECEMBER 09, 2020

Primal Rib	471.13	387.06
Primal Chuck	167.92	161.93
Primal Round	167.72	169.62
Primal Loin	260.31	234.46
Primal Brisket	142.76	145.83
Primal Short Plate	116.27	116.27
Primal Flank	90.87	95.77



LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 9 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
12/09	132	40	17	18	207	218.26	201.65
12/08	122	39	39	29	228	225.02	205.42
12/07	112	27	7	16	161	230.80	209.48
12/04	81	19	15	16	132	235.02	217.51
12/03	131	15	20	22	189	239.19	219.93
12/02	74	12	18	19	123	240.89	222.95
12/01	78	13	11	27	130	243.40	223.08
11/30	53	12	12	7	84	243.68	222.43
11/27	30	7	8	7	51	242.85	220.68

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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	98.01 loads	3,920,511 pounds
Select Cuts	26.65 loads	1,066,109 pounds
Trimming	27.14 loads	1,085,470 pounds
Ground Beef	33.38 loads	1,335,154 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)

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BEEF AND PORK EXPORTS ON LAST PAGE OF REPORT

DECEMBER 2020 USDA LIVESTOCK REPORTS

USDA CATTLE ON FEED – FRIDAY DECEMBER 18, 2020 2:00PM CENTRAL TIME
USDA COLD STORAGE – TUESDAY DECEMBER 22, 2020 2:00PM CENTRAL TIME
USDA QUARTERLY HOGS AND PIGS– WEDNESDAY DECEMBER 23, 2020 2:00PM CENTRAL TIME

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DELIVERY NOTICE SERVED – DECEMBER 2020 - LIVE CATTLE
SETTLEMENT: DECEMBER 10, 2020 - \$107.92
OLDEST LONG: 02/28/20 SETTLEMENT AT \$117.77
0 DELIVERIES



USDA POSTED CATTLE PRICES ON 12/10/2020

IA/MN – CASH - 103.00 - 104.00 690 head **average weight 1,575 - 1,625** Dressed.- 166.00 - 167.00 **weight 995.6**

NE - CASH – 106.00 - 106.00 average weight 1,550 - 1,600 Dressed.- 167.00 - 168.00 **weight 960 - 1,032**

KS – CASH No Reportable Trade. Dressed - No Reportable Trade.

TX/OK/NM – No Reportable Trade.

CO – Information not available due to confidentiality

*****National Daily Direct Cattle 12/10/2020
(5 day accumulated weighted avg)**

	Weight	Price	Head
Live Steer:	1479	\$108.32	29,585
Live Heifer:	1292	\$107.88	12,417
Dressed Steer:	973	\$169.22	11,172
Dressed Heifer:	872	\$170.07	4,625

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Cattle feedlots holding heavy cattle are doing a disservice to themselves and to feedlots moving cattle lighter. Until they clean up overfed and fat cattle, there will be deeper discounts and cattle will have a tough time going higher unless packers decide to deeper discount heavy cattle and pay premiums for cattle they need. The restaurant trade can use heavy cattle, Japan will take Choice and Prime heavy cattle but retailers don't want heavy cattle for the consumers shopping day to day.

Many of the current fundamentals don't indicate a move to the upside. Bear spreads are widening. Boxed beef market is tumbling with Choice beef from Friday, December 4th to Thursday, December 10th down \$20.34. Cattle in the North and Midwest are too heavy with too many being sold weighing 1.550 pounds or more. It is bullish.

Market moved up on February and April because of bear spreading. Fundamentalists might say it is anticipation there will be fewer cattle and there likely will be but when you look at the deplorable exports sold into 2021 with continual cancellations or reductions, along with increasing competition from Brazil, Australia and New Zealand and likely more cattle in those countries, call the market what the trade is doing. Bear spreading



Packers are not only selling beef lower but dumping it. It may mean packers have fewer contracted beef needed and are using daily market to clean up what isn't needed in contracted beef.

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Beef export net sales are pathetic. Only 3000 metric tonnes for 2020 and 6400 metric tonnes for 2021.

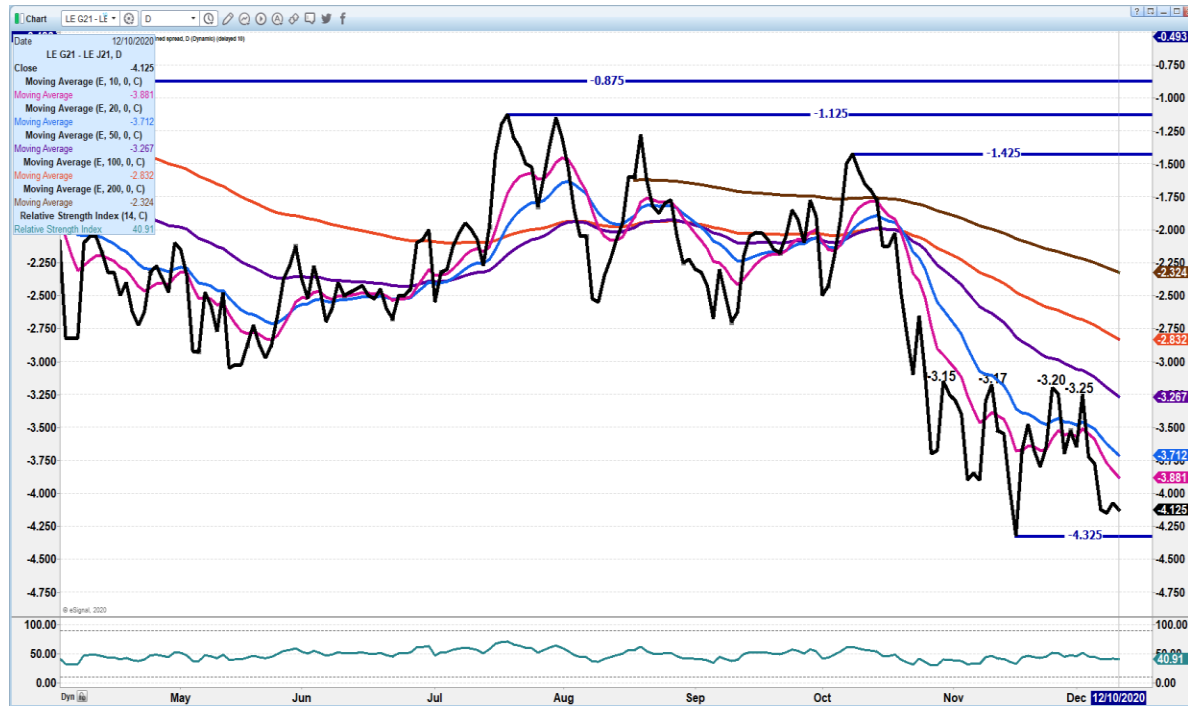
With the cheap US Dollar, US beef should be flying out the door.

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As of December 8, 2020, dressed steer and heifer weights were 894.2 compared to previous week at 896.5 down 2.3 pounds from week ago and the same as last week, 21 pounds over a year ago. Grading percent was 81.9%, down compared to previous week at 81.9 %.

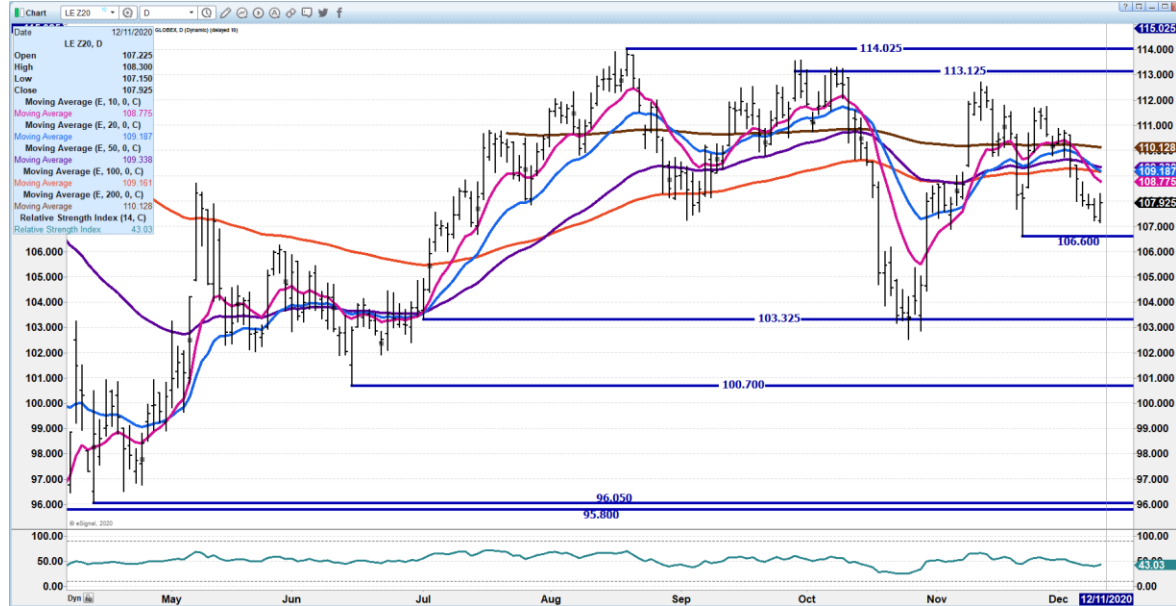
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FEBRUARY 2021 LIVE CATTLE/APRIL 2021 LIVE CATTLE SPREAD - SPREAD WIDENING IS BEARISH.

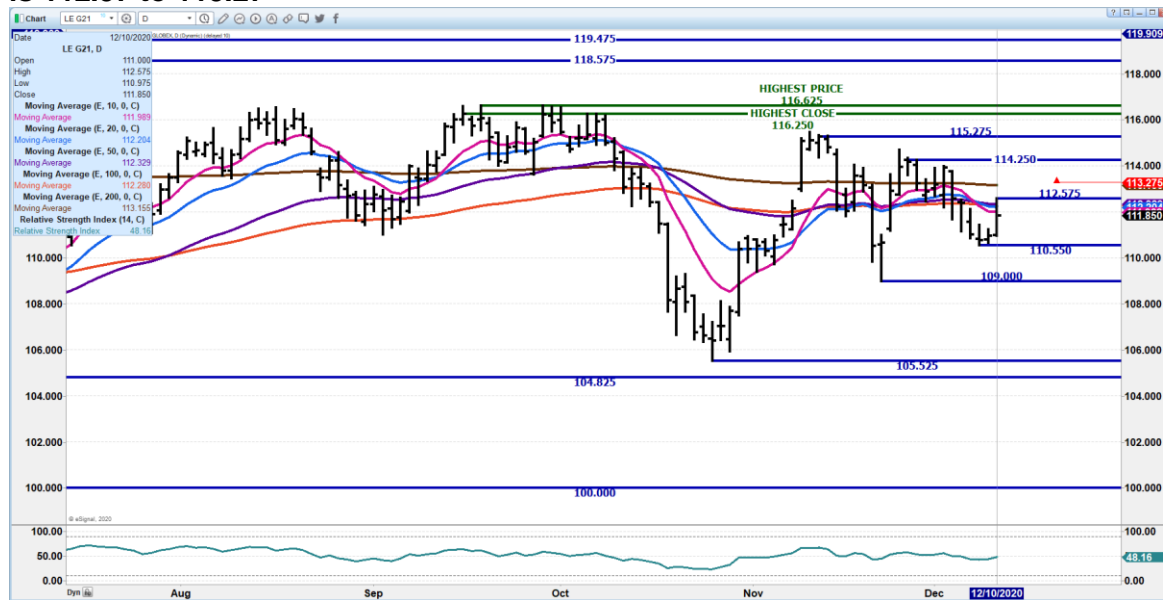




DECEMBER 2020 LIVE CATTLE - 107.00 IS SUPPORT RESISTANCE AT 109.20



FEBRUARY 2021 LIVE CATTLE – Volume 18,076 Support is 110.55 to 109.00 Resistance is 112.57 to 113.27

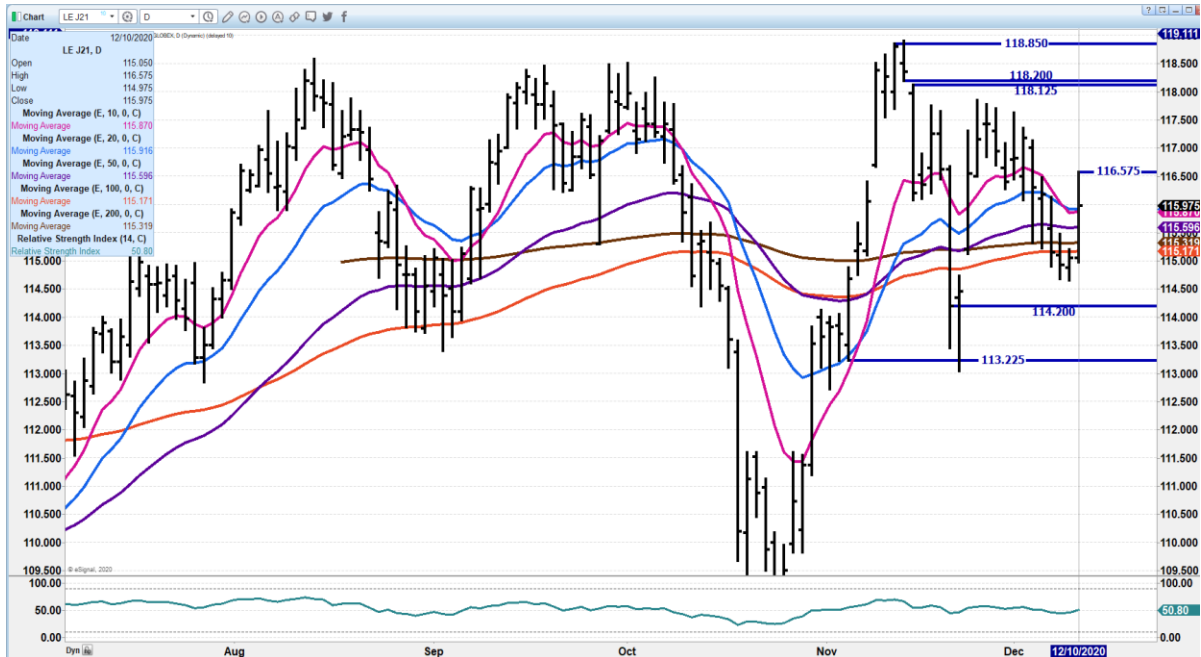


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APR 2021 LIVE CATTLE - Volume 10784 Resistance at 116.57 Support at 114.92 to 114.20



Feeder Cattle

THE CME FEEDER INDEX ON 12/09/2020 WAS 137.11 DOWN 9 CENTS FROM PREVIOUS DAY -

JANUARY 2021 FEEDER CATTLE FUTURES SETTLED ON DECEMBER 109, 2020 AT \$137.60

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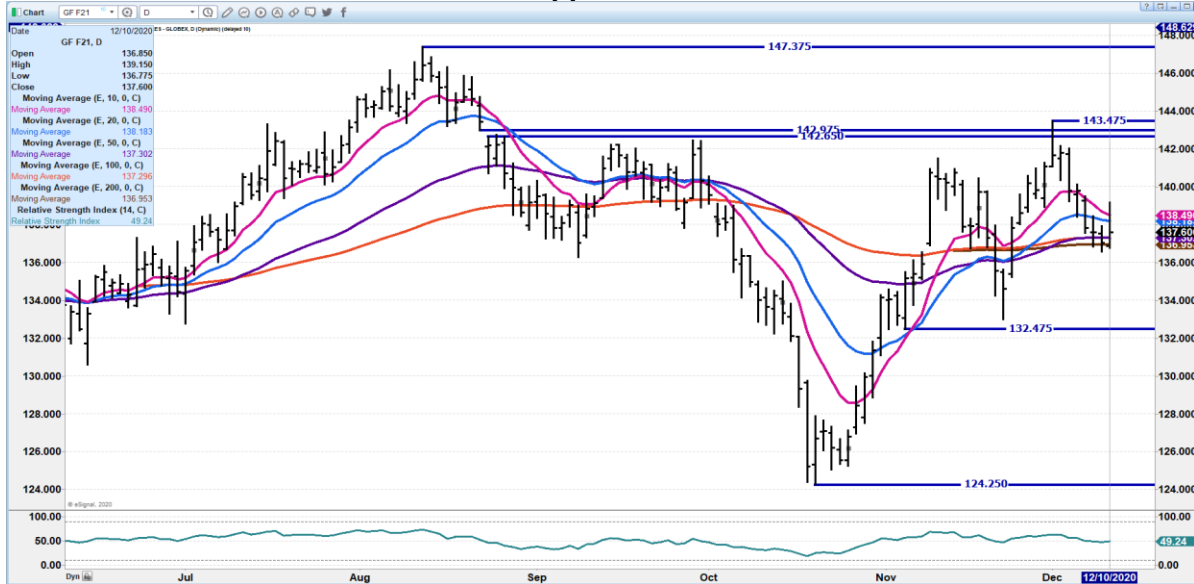
IF FEEDERS CONTINUE TO DROPP IT INDICATES PACKER FEEDLOTS AND FORMULA CONTRACT FEEDLOTS DON'T HAVE ADVANCE BEEF ORDERS. VERY LIKELY WITH NEGATIVE EXPORTS.



JANUARY 2021/MARCH 2021 FEEDER CATTLE SPREAD – IF CONTINUES TO WIDEN IT IS BEARISH

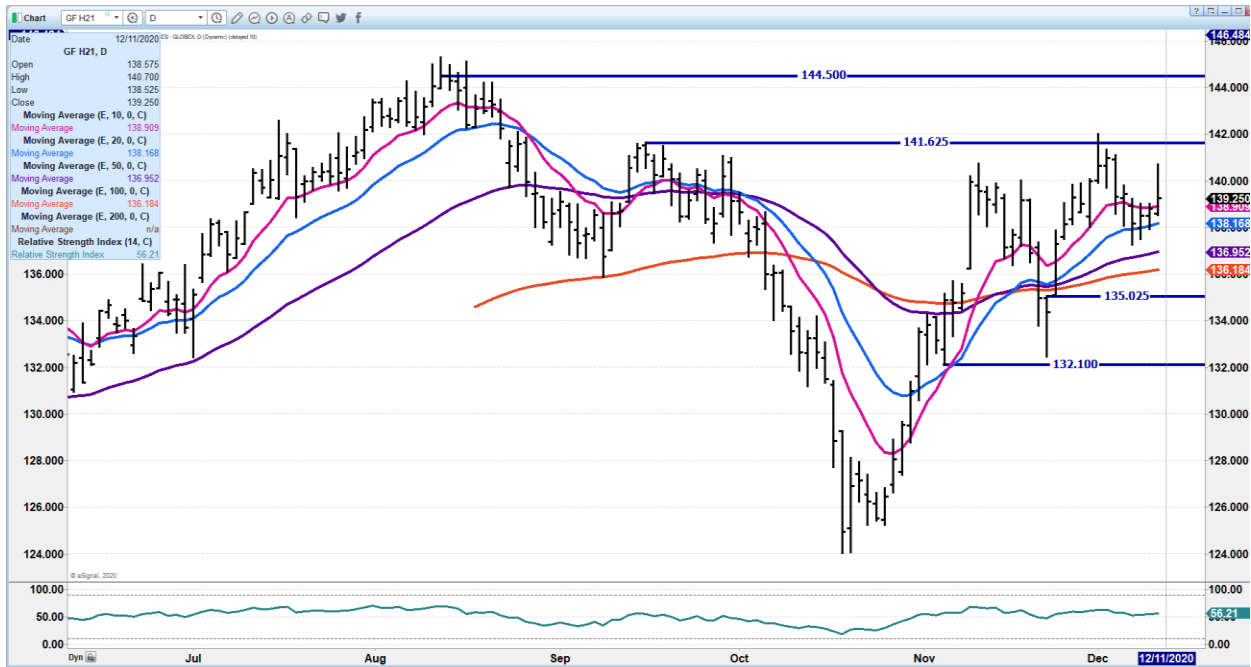


JANUARY 2021 FEEDER CATTLE – Support 136.77 Resistance at 139.77





**April 2021 Feeder Cattle – Resistance at 141.62 Support at 139.65 to 138.37
Resistance at 142.00**



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

DECEMBER 10, 2020	493,000	
WEEK AGO	492,000	
YEAR AGO	498,000	
WEEK TO DATE (EST)	1,972,000	
SAME PERIOD LAST WEEK (EST)	1,967,000	
SAME PERIOD LAST YEAR (ACT)	1,973,000	

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CME CASH HOG INDEX 12/08/2020 AT 65.66 UP 6 CENTS FROM PREVIOUS DAY



CME CASH PORK CUTOUT INDEX 12/09/2020 AT 77.64 DOWN 45 CENTS FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 12/04/2020 WAS 126.66 COMPARED TO 11/27/2020 WAS 123.40

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 Little change on the pork cutout Thursday on fairly light volume.

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 2020 year to date hog slaughter is close to 1% above 2019. Packers seem to have worked out problems when employees are sick with extra employees trained to work several stations in the plant. Packers have increased the nursing staff in plants and processing facilities. Clinics are on site to work with employees when ill. More robotics are used. Some packers are testing for COVID 19 and some are temperature testing when employees come to work and spot testing throughout the day. Break time and when employees take time to eat have scheduled to allow more social distancing.

Packers and unions are pushing for employees to be near the top of the list when vaccinations become readily available because employees were not only considered “essential” workers but are working under the Defense Protection Act.

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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
 DECEMBER 10, 2020**

LOADS OF PORK CUTS: 233.88

LOADS TRIM/PROCESSED PORK: 37.36

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
12/10/2020	271.25	78.23	69.49	67.97	63.79	130.58	91.08	87.62
CHANGE :		0.63	0.46	0.48	4.30	-2.51	3.73	-4.99
Five Day Average --		78.00	69.81	68.22	61.97	132.85	88.72	91.00

FINAL PREVIOUS WEEK'S CLOSE

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
12/04/2020	347.84	78.17	69.76	66.65	62.98	132.42	88.03	93.30



**NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE
SLAUGHTER DATA FOR DECEMBER 9, 2020**

Average live weight - 288.44
Average carcass - 215.88

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**DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM DECEMBER 9, 2020
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**

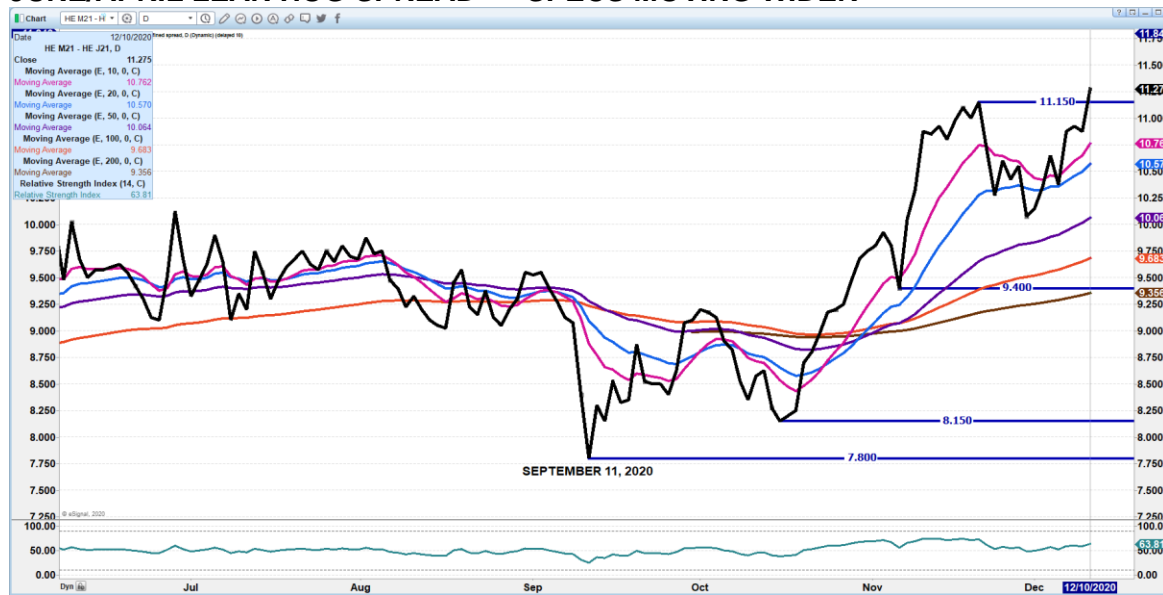
Carcass Base Price: \$48.00 - \$56.00
Weighted Average: \$54.24
Change from Prior Day: 0.84 lower
HOGS SOLD: 6,074

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)

PRICE RANGE: \$54.68 - \$73.20
Weighted Average: \$64.68
Previous Day: \$64.63
HOGS SOLD: 150,078

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

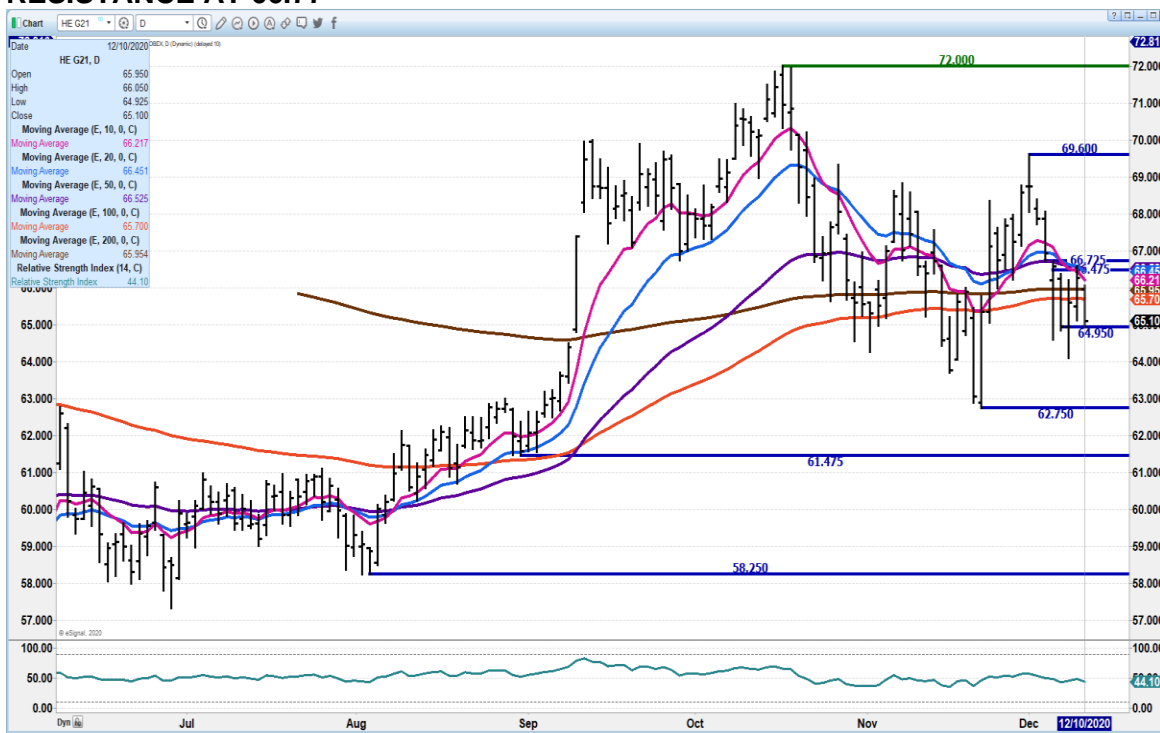
JUNE/APRIL LEAN HOG SPREAD – SPECS MOVING WIDER





DECEMBER 2020 LEAN HOGS – GOING NOWHERE DECEMBER FAIRLY IN LINE WITH CME INDEX WILL GO OFF BOARD ACCORDING TO CME INDEX

FEBRUARY 2021 LEAN HOGS – VOLUME 11,293 64.95 TO 63.17 SUPPORT RESISTANCE AT 66.77



CHARTS FROM ESIGNAL INTERACTIVE, INC.