



MONDAY MORNING DECEMBER 21, 2020 LIVESTOCK REPORT

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

| | |
|-----------------------------|--|
| DECEMBER 18, 2020 | 117,000 |
| WEEK AGO | 118,000 |
| YEAR AGO | 116,000 |
| SATURDAY 12/19/2020 | 69,000- A WEEK AGO 73,000, YEAR AGO 64,000 |
| WEEK TO DATE (EST) | 659,000 |
| SAME PERIOD LAST WEEK (EST) | 665,000 |
| SAME PERIOD LAST YEAR (ACT) | 668,000 |
| 2020 YEAR TO DATE | 31,288,000 |
| *YEAR TO DATE | 32,366,000 |

Percent change year to date -3.43 Previous week -3.4%

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| | CHOICE | SELECT |
|-----------------------|--------|--------|
| BOXED BEEF FINAL | 208.63 | 194.27 |
| CHANGE FROM PRIOR DAY | (0.88) | 0.57 |
| CHOICE/SELECT SPREAD: | | 14.36 |
| TOTAL LOAD COUNT | | 115 |
| 5 DAY SIMPLE AVERAGE: | 209.82 | 193.20 |

| PREVIOUS WEEK 12/11/2020 | CHOICE | SELECT |
|--------------------------|--------|--------|
| BOXED BEEF FINAL PRICE | 213.88 | 195.71 |

RECENT CHOICE HIGH - NOVEMBER 25, 2020

| | | |
|--|--------|--------|
| | 245.06 | 220.90 |
|--|--------|--------|

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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 18, 2020

| | | |
|------------|--------|--------|
| Primal Rib | 390.68 | 310.47 |
|------------|--------|--------|



| | | |
|--------------------|--------|--------|
| Primal Chuck | 171.26 | 169.23 |
| Primal Round | 178.31 | 176.28 |
| Primal Loin | 258.11 | 238.61 |
| Primal Brisket | 153.36 | 153.85 |
| Primal Short Plate | 113.45 | 113.45 |
| Primal Flank | 90.94 | 89.68 |

**PREVIOUS WEEK'S CLOSE
FINAL DECEMBER 11, 2020**

| | | |
|--------------------|--------|--------|
| Primal Rib | 467.69 | 355.16 |
| Primal Chuck | 166.03 | 166.33 |
| Primal Round | 169.17 | 167.95 |
| Primal Loin | 259.97 | 233.61 |
| Primal Brisket | 145.89 | 152.80 |
| Primal Short Plate | 113.97 | 113.97 |
| Primal Flank | 90.72 | 93.91 |

LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS

| Date | Choice | Select | Trim | Grinds | Total | CHOICE | SELECT |
|-------|--------|--------|------|--------|-------|---------|---------|
| | | | | | | 600-900 | 600-900 |
| 12/17 | 64 | 18 | 7 | 14 | 103 | 209.51 | 193.70 |
| 12/16 | 84 | 26 | 3 | 31 | 143 | 207.22 | 192.09 |
| 12/15 | 97 | 37 | 10 | 30 | 174 | 208.82 | 192.20 |
| 12/14 | 127 | 21 | 15 | 14 | 177 | 209.69 | 192.30 |
| 12/11 | 65 | 26 | 21 | 19 | 131 | 213.88 | 195.71 |

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 | 76.29 loads | 3,051,541 pounds |
| Select Cuts | 18.37 loads | 734,672 pounds |
| Trimming | 12.80 loads | 511,951 pounds |
| Ground Beef | 7.38 loads | 295,111 pounds |

**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)**



DECEMBER 2020 USDA LIVESTOCK REPORTS

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 18, 2020 - \$110.47
 OLDEST LONG: 10/23/20 SETTLEMENT AT \$103.57
 MONTH TO DATE TOTALS 45

| FIRM # | FIRM NAME | DEL | REC |
|--------|-------------------|-----|-----|
| 800 | MAREX SPEC | 6 | |
| 685 | R.J.O'BRIEN ASSOC | 4 | 10 |

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USDA POSTED CATTLE PRICES ON 12/18/2020
 IA/MN – CASH – 106.00 Dressed.- 167.00
 NE - CASH – 107.00 - 108.00 Dressed.- No Reportable Trade.
 KS – CASH 108.20 Dressed - No Reportable Trade.
 TX/OK/NM – 108.00 – AVERAGE DRESSED WEIGHTS 1,243.7 POUNDS
 CO – Information not available due to confidentiality

***National Daily Direct Cattle 12/18/2020
 (5 day accumulated weighted avg)

| | Weight | Price | Head |
|-----------------|--------|----------|--------|
| Live Steer: | 1479 | \$106.14 | 23,947 |
| Live Heifer: | 1355 | \$106.30 | 8,678 |
| Dressed Steer: | 992 | \$165.27 | 8,974 |
| Dressed Heifer: | 872 | \$165.42 | 3,534 |

PREVIOUS WEEK

***National Daily Direct Cattle 12/11/2020
 (5 day accumulated weighted avg)

| | Weight | Price | Head |
|-------------|--------|----------|--------|
| Live Steer: | 1487 | \$106.74 | 17,647 |



| | | | |
|-----------------|------|----------|-------|
| Live Heifer: | 1295 | \$106.96 | 9,817 |
| Dressed Steer: | 974 | \$167.96 | 9,639 |
| Dressed Heifer: | 866 | \$168.38 | 3,765 |

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USDA CATTLE ON FEED REPORT DECEMBER 18, 2020

| | | ACTUAL | AVERAGE OF ESTIMATES | RANGE OF ESTIMATES |
|-----------------|----------|--------|----------------------|--------------------|
| CATTLE ON FEED | DECEMBER | 100 | 100.0 | 99.1-100.8 |
| PLACED DURING | NOVEMBER | 91 | 91.8 | 85.5-95.2 |
| MARKETED DURING | NOVEMBER | 102 | 97.9 | 97.6-102.3 |

CATTLE AND CALVES ON FEED FOR THE SLAUGHTER MARKET IN THE UNITED STATES FOR FEEDLOTS WITH CAPACITY OF 1,000 OR MORE HEAD TOTALED 12.0 MILLION HEAD ON DECEMBER 1, 2020. THE INVENTORY WAS SLIGHTLY ABOVE DECEMBER 1, 2019.

PLACEMENTS IN FEEDLOTS DURING NOVEMBER TOTALED 1.91 MILLION HEAD, 9 PERCENT BELOW 2019. NET PLACEMENTS WERE 1.85 MILLION HEAD. DURING NOVEMBER, PLACEMENTS OF CATTLE AND CALVES WEIGHING LESS THAN 600 POUNDS WERE 520,000 HEAD, 600-699 POUNDS WERE 460,000 HEAD, 700-799 POUNDS WERE 400,000 HEAD, 800-899 POUNDS WERE 306,000 HEAD, 900-999 POUNDS WERE 130,000 HEAD, AND 1,000 POUNDS AND GREATER WERE 90,000 HEAD.

MARKETINGS OF FED CATTLE DURING NOVEMBER TOTALED 1.78 MILLION HEAD, 2 PERCENT BELOW 2019

OTHER DISAPPEARANCE TOTALED 61,000 HEAD DURING NOVEMBER, 6 PERCENT BELOW 2019.

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MARKETINGS ON THE HIGH END OF ESTIMATES AND 3 PERCENT ABOVE THE AVERAGE IS FRIENDLY. IT IS GOOD TO SEE STRONG MARKETINGS. BUT IT WAS NOVEMBER AND NOW WE ARE JUST ABOUT THROUGH DECEMBER. LOW PLACEMENTS ARE NOT A SURPRISE. IT HAS BEEN TOTALLY EXPECTED.

THE REPORT IS NEUTRAL. MONDAY, TRADERS WILL BE CONCERNED ABOUT HOW BOXED BEEF HAS BEEN FALLING, AND IF NORTHERN AND MIDWEST FEEDLOTS WILL CLEAN UP OVERWEIGHT CATTLE. WITH TWO BACK TO BACK 4 DAY SLAUGHTER



WEEKS COMING UP, I DON'T SEE CATTLE HIGHER ON MONDAY. FEBRUARY 2021 CATTLE MOVED UP \$1.85 THIS PAST WEEK AND FEBRUARY IS \$4.37 OVER DECEMBER. WITH NEUTRAL REPORT, MONDAY LIKELY WILL OPEN FLAT. WITH LOW PLACEMENTS IT WOULD EXPECT FEEDERS TO BE BETTER BUT THIS YEAR THERE HAVEN'T BEEN GRAIN/CATTLE PRODUCERS ACTIVELY PUSHING TO BUY FEEDERS. THEY HAVE BEEN KEEPING CATTLE INSTEAD OF REPLACING THEM. HIGH CORN PRICES MAKE SELLING CORN MORE PROFITABLE THAN FEEDING CATTLE. CONTRACT FEEDLOTS HAVE OPEN PENS AND OVER PAST 2 MONTHS NOT BEEN ACTIVELY PURSUING MORE CATTLE THAN THEY NEED FOR EXISTING CONTRACTS. FEEDER CATTLE FUTURES HAVE GONE FROM BULL SPREADING TO BEAR SPREADING.

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Steer and heifer weights are dropping but mostly due to packers pulling forward cattle in the South and Southwest. Cattle in the North and Midwest still have many cattle being sold above 1500 pounds live and over 1000 pounds dressed while cattle in Texas, Oklahoma, and New Mexico have cattle pulled early from January contracts below 1300 pounds.

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The beef trade Friday compared to a week ago had Choice rib sections down \$77.01 and Select rib sections were down from last week \$44.69. On November 25th Choice ribs sections were \$503.98 now down \$113.30. It seems safe to say the wholesale demand for December Holiday's is over and wholesale buying should be over a week before Christmas.. Choice ribs sections gained the most when boxed beef rallied and now it is the biggest loser. The drop in rib sections is not good. They are highest priced product and drop in prices shows weakness in Choice beef.

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The downturn in beef will affect current cash cattle, and if remain and continue to move down they eventually will affect February/April. At this tie 2021 depends on speculators/spreaders point of view and if there is a decent short hedge position at some time.

Too many traders focus on the here and now fundamentals to trade futures. Over the past week, I have been repeated asked why are cattle higher with drop in beef prices and average steer and heifer prices down? It is an easy answer. Traders anticipate futures markets, and the current fundamentals are not in the future. The active trade volume is in 2021, not in December 2020.

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Kills for both cattle and hogs are slipping lower. From North Dakota to Texas these states have some of the biggest outbreaks of COVID 19. Canada that has had nowhere near the outbreak of the US had a cattle packer close. US packers have brought plants back to where they were before they shut down or slowed chains last spring, but with the surge in COVID 19, as I have been told when as many people are getting sick as they are now, workers can't come to work. The firing of 7 managers in Iowa isn't helping the situation. Betting on how many workers will become ill and die, federal, state and local governments are looking at packing industry.

Cargill to close Canadian beef plant after coronavirus outbreak

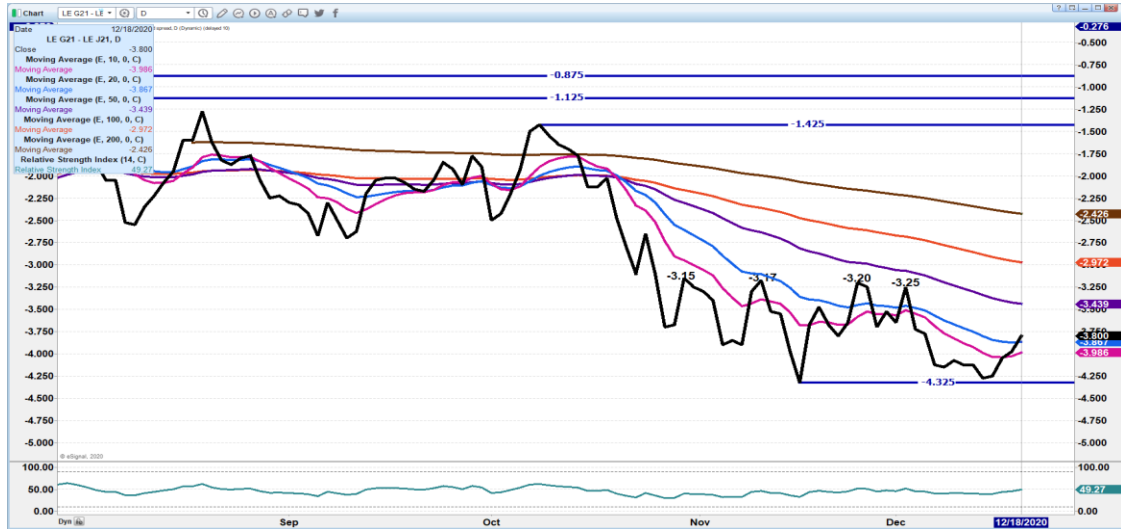
<https://uk.reuters.com/article/us-health-coronavirus-carg-idUKKBN28R37X>

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Monitor the 5 day moving average. It is a good indicator for reversals. When the current Choice beef moves over or under the 5 day average, it is likely beef market will change direction. Don't react the first day it happens, give it at least two days.

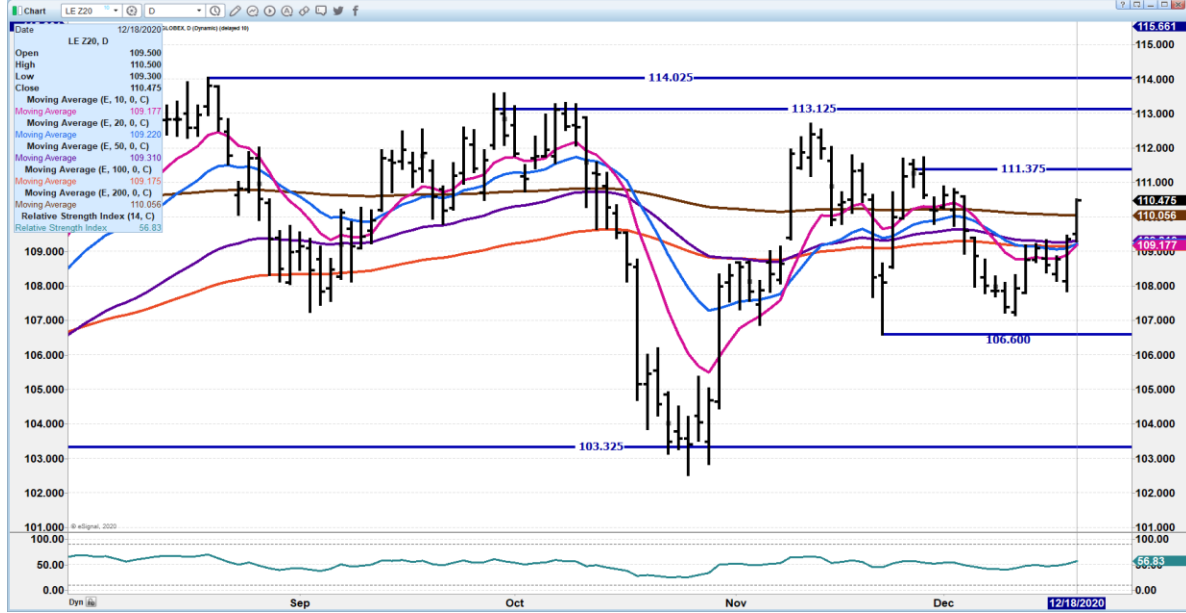
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As of December 15, 2020, dressed steer and heifer weights were 891 compared to previous week at 894 down 3 pounds from week ago and the same as last week, 5 pounds over a year ago.

Weights are dropping because packers pulling contracted cattle and their own cattle forward in South and Southwest. Thursday cattle sold in Iowa/Minnesota averaging over 1500 pounds. Cattle in Texas were moving at 1244 pounds.

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FEBRUARY 2021 LIVE CATTLE/APRIL 2021 LIVE CATTLE SPREAD - CURRENTLY SPREAD IN NORMAL RANGE. WATCH TO SEE IF WIDENS OR NARROWS.

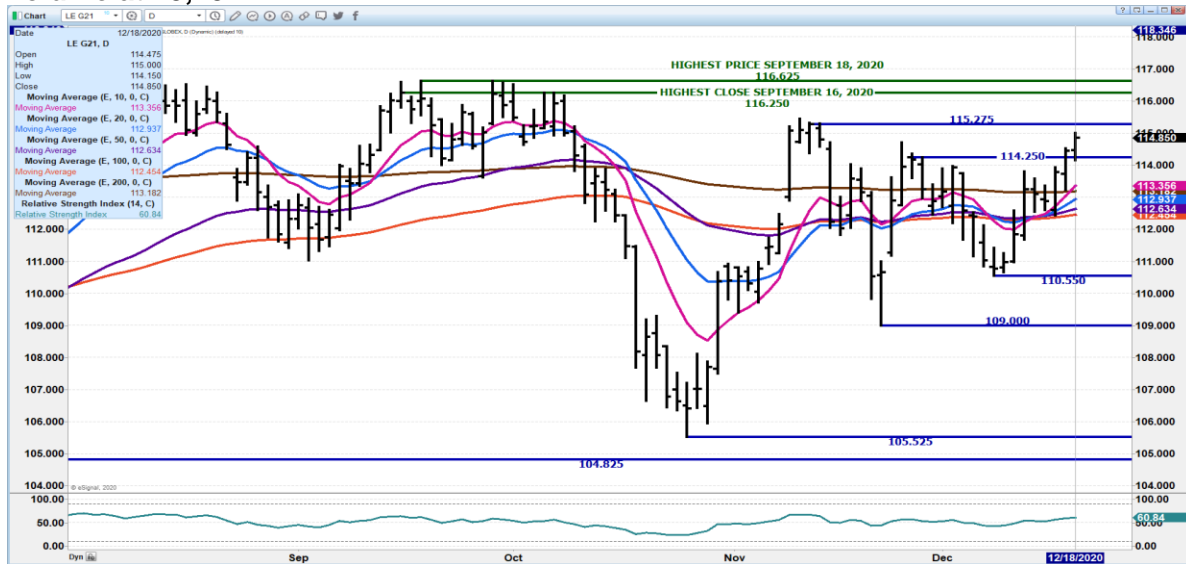


DEC 2020 LIVE CATTLE - OPEN INTEREST DOWN TO 3861 – 111.37 RESISTANCE SUPPORT AT 109.25

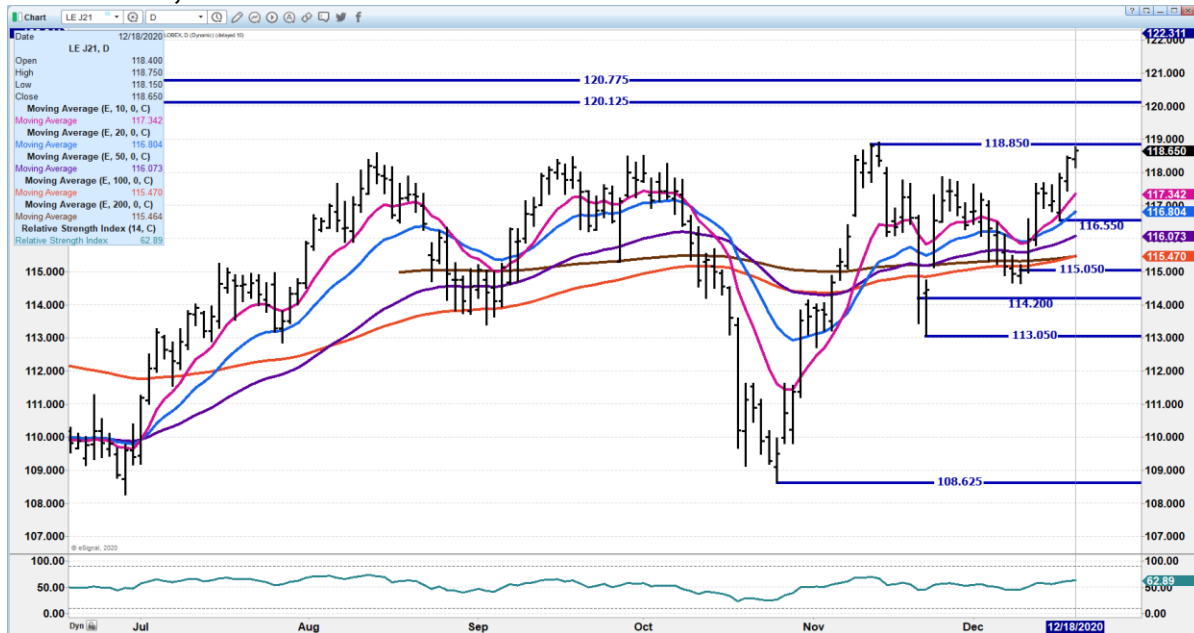




FEBRUARY 2021 LIVE CATTLE – Resistance at 115.27 support at 113.35 to 112.37 volume at 15,432



APRIL 2021 LIVE CATTLE = RESISTANCE AT 118.85 TO GAP 120.12 TO 129.87 VOLUME 10,270





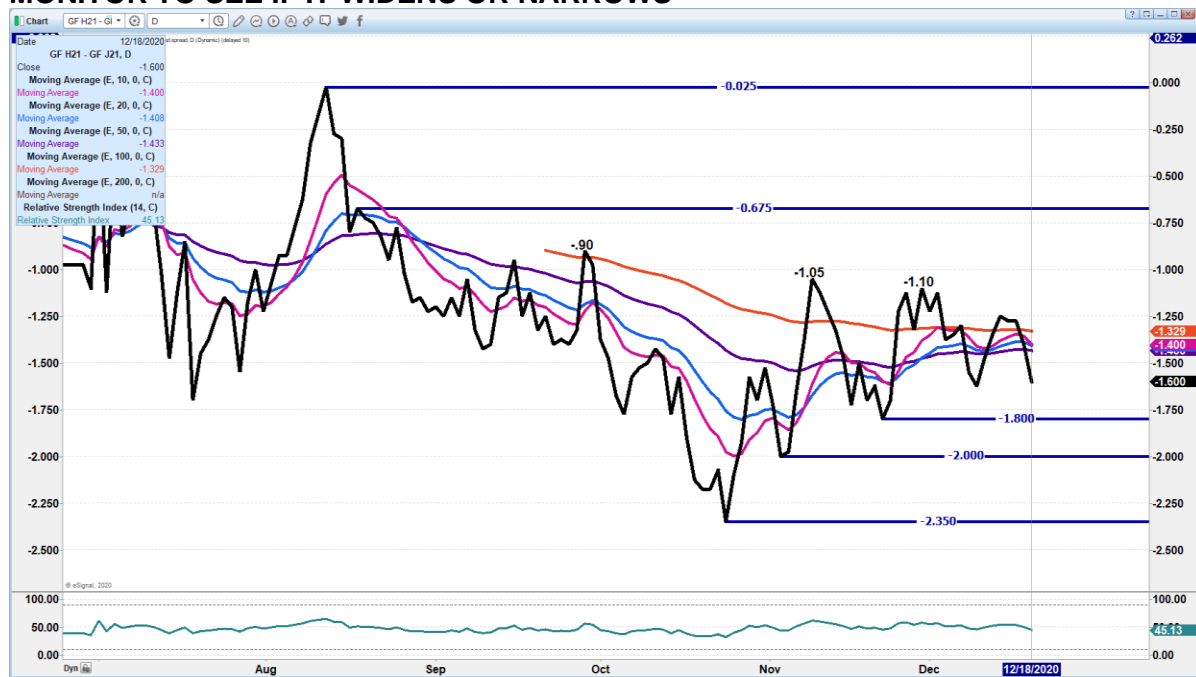
Feeder Cattle

THE CME FEEDER INDEX ON 12/17/2020 WAS 138.48 UP 1.29 FROM PREVIOUS DAY - PREVIOUS WEEK 12/10/220 \$136.66

JANUARY 2021 FEEDER CATTLE FUTURES SETTLED ON DECEMBER 18, 2020 AT \$140.45

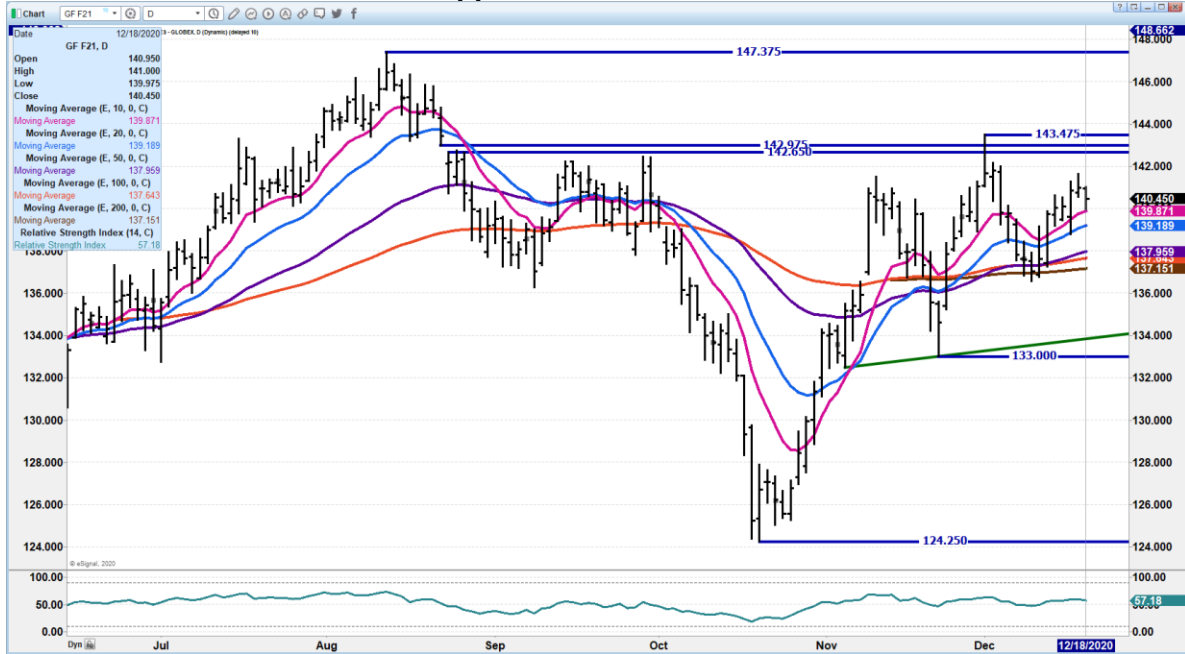
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MARCH 2021/APRIL 2021 FEEDER CATTLE SPREAD – SPREAD REMAINS NARROW. MONITOR TO SEE IF IT WIDENS OR NARROWS

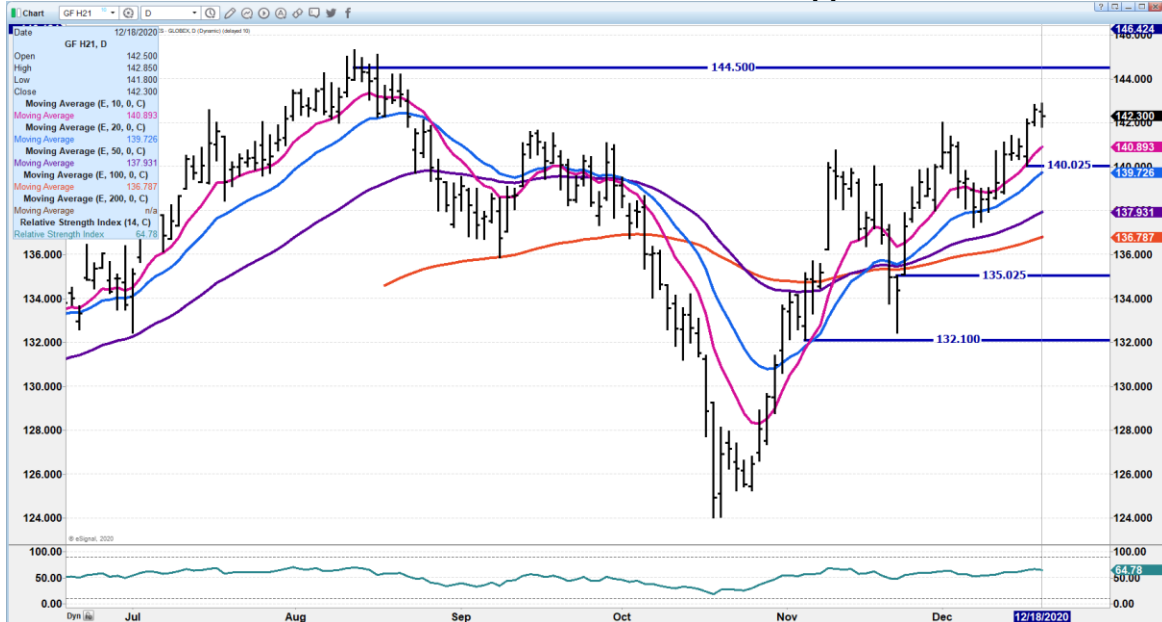




JAN 2021 FEEDER CATTLE – support at 139.87 to 137.15 resistance at 142.65 to 143.47



MARCH 2021 FEEDER CATTLE – resistance at 144.50 Support at 140.02



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

| | | |
|------------------------------------|--------------------|--|
| DECEMBER 18, 2020 | 481,000 | |
| WEEK AGO | 490,000 | |
| YEAR AGO | 490,000 | |
| SATURDAY 12/19/2020 | 380,000- | A WEEK AGO 300,000 - YEAR AGO 351,000 |
| WEEK TO DATE (EST) | 2,792,000 | |
| SAME PERIOD LAST WEEK (EST) | 2,762,000 | |
| SAME PERIOD LAST YEAR (ACT) | 2,825,000 | |
| 2020 YEAR TO DATE | 127,124,000 | |
| 2019 *YEAR TO DATE | 126,270,000 | |

PERCENT CHANGE YEAR TO DATE .7% COMPARED TO PREVIOUS WEEK AT .7%

****REVISED THURSDAY HOG SLAUGHTER..467,000 PREVIOUS ESTIMATE 475,000**

**CME CASH HOG INDEX 12/16/2020 AT 64.39 DOWN 66 CENTS FROM PREVIOUS DAY
PREVIOUS WEEK 12/09/2020 AT 65.61**

**CME CASH PORK CUTOUT INDEX 12/17/2020 AT 75.89 DOWN 92 CENTS FROM
PREVIOUS DAY
PREVIOUS WEEK 12/10/2020 AT 78.05**

**CME CASH FRESH BACON INDEX ON 12/11/2020 WAS 121.99 COMPARED TO
12/04/2020 WAS 126.66**

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Pork carcass compared to a week ago down \$8.21. Loins down \$3.04. Hams \$26.73 lower and below loins, Bellies down \$6.50. Butts and ribs higher, picnics down.

There are plenty of hogs in the US and globally. Going forward it is important to watch hog slaughter numbers and weights to see if hogs are being backed up due to COVID 19. Countries around the world are stopping travel for people traveling country to country. China is through inspecting freight and has stopped shipments from Brazil, and Argentina for pork, beef, poultry and farmed fish. Two US poultry plants had shipments stopped. After their New Years buying of pork, look for stricter inspections on US ships and plane deliveries.



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Watching individual pork primal cuts day to day will give false/ positive indicators. Trade the 5 day average and compare to previous week's change. If you give too much credence to individual cuts from one day to the next, it is like being on a teeter totter.

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It is time when February is lead month but not spot month and anything can happen. During this time, specs often move markets with disregard to cash markets. February goes off the board around 60 days from now and it allows specs to do just about anything they want.

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Pork is moving and for the year export sales are up due to China buying. But most of China's buying was in the first quarter of the year. For the 1st t quarter of 2020 China increased pork sales by 575% compared to 1st quarter of 2019. By the end of the 2nd quarter Chinese exports for 6 months were 377% and 3rd quarter or 9 months at 188% with October at 162%. China is definitely up on the year but throughout the year they have been steadily importing less and less.

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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 18, 2020

LOADS OF PORK CUTS: 307.45

LOADS TRIM/PROCESSED PORK: 36.44

FINAL

| Date | Loads | Carcass | Loin | Butt | Pic | Rib | Ham | Belly |
|---------------------|--------|---------|-------|-------|-------|--------|-------|-------|
| 12/18/2020 | 343.89 | 71.47 | 69.44 | 72.21 | 57.95 | 135.06 | 65.80 | 85.86 |
| Change | | -1.75 | -4.01 | -0.48 | -2.93 | 0.68 | 0.00 | -2.46 |
| Five Day Average -- | | 74.14 | 70.08 | 71.30 | 59.76 | 133.66 | 75.02 | 87.17 |

FINAL PREVIOUS WEEK'S CLOSE

| Date | Loads | Carcass | Loin | Butt | Pic | Rib | Ham | Belly |
|------------|--------|---------|-------|-------|-------|--------|-------|-------|
| 12/11/2020 | 407.09 | 79.71 | 72.48 | 69.23 | 60.77 | 131.53 | 92.53 | 92.36 |

NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE



SLAUGHTER DATA FOR DECEMBER 17, 2020

Average live weight - 286.77

Average carcass - 214.71

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DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM DECEMBER 18, 2020

NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES

Carcass Base Price: \$46.00 - \$53.00

Weighted Average: \$51.09

Change from Prior Day: 1.16 lower

HOGS SOLD 5,672

Change over last week down **\$2.35**

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)

PRICE RANGE: \$51.12 - \$72.08

Weighted Average: \$61.33

Previous Day: \$62.61

HOGS SOLD: 174,631

Change over last week down **\$2.11**

PREVIOUS WEEK

DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM DECEMBER 11, 2020

NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES

Carcass Base Price: \$48.00 - \$56.00

Weighted Average: **\$53.44**

Change from Prior Day: 0.77 lower

HOGS SOLD: 7,860

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)

PRICE RANGE: \$52.79 - \$74.00

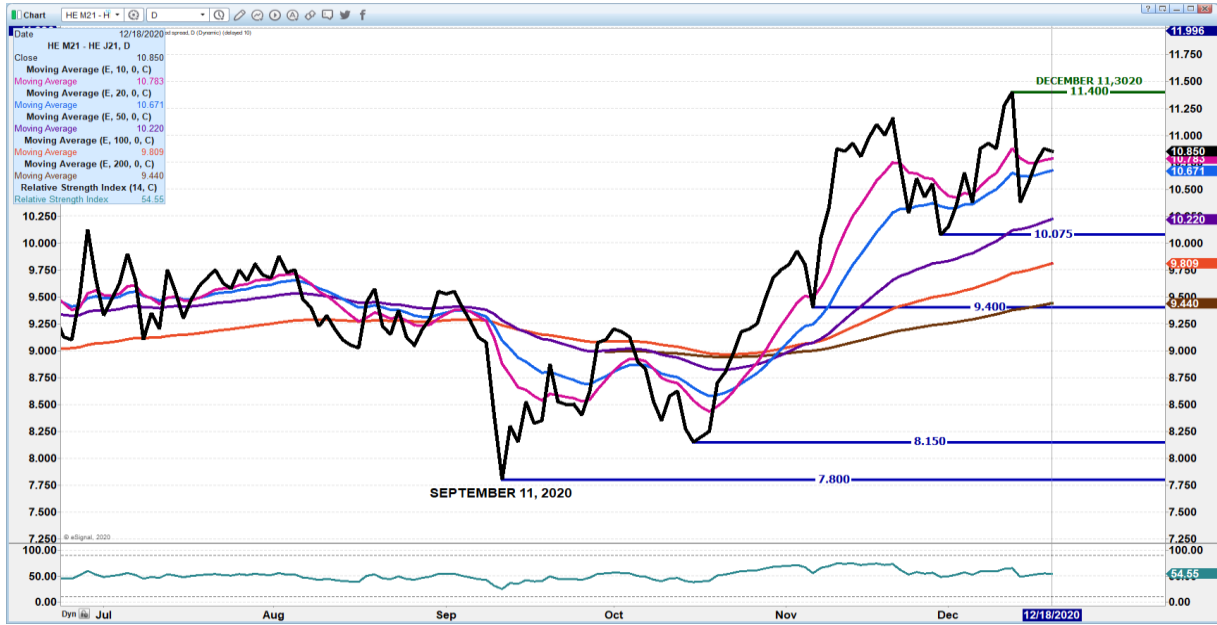
Weighted Average: **\$63.44**

Previous Day: \$64.48

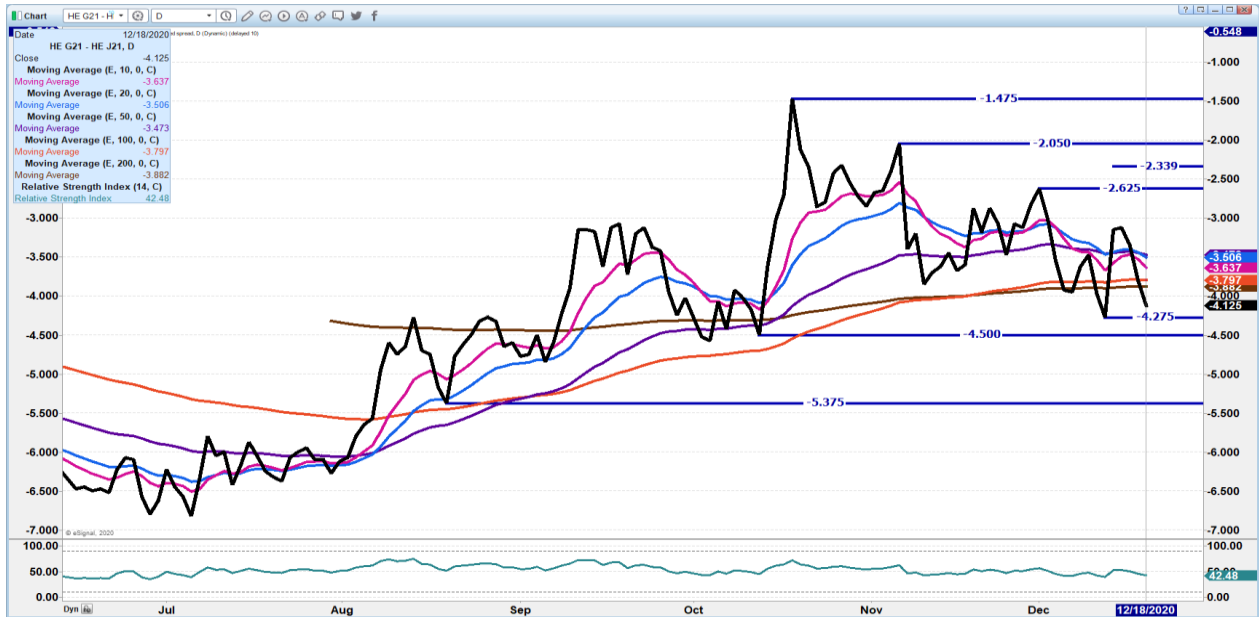
HOGS SOLD: 192,253

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

**JUNE/APRIL LEAN HOG SPREAD – WIDE BUT NORMAL FOR THIS TIME OF YEAR.
WITH INCREASING GLOBAL HOGS, LOOK FOR EVENTUAL NARROWING**



FEBRUARY/APRIL 2021 LEAN HOG SPREAD – WIDER THAN NORMAL LOOK FOR CONTINUED WIDENING

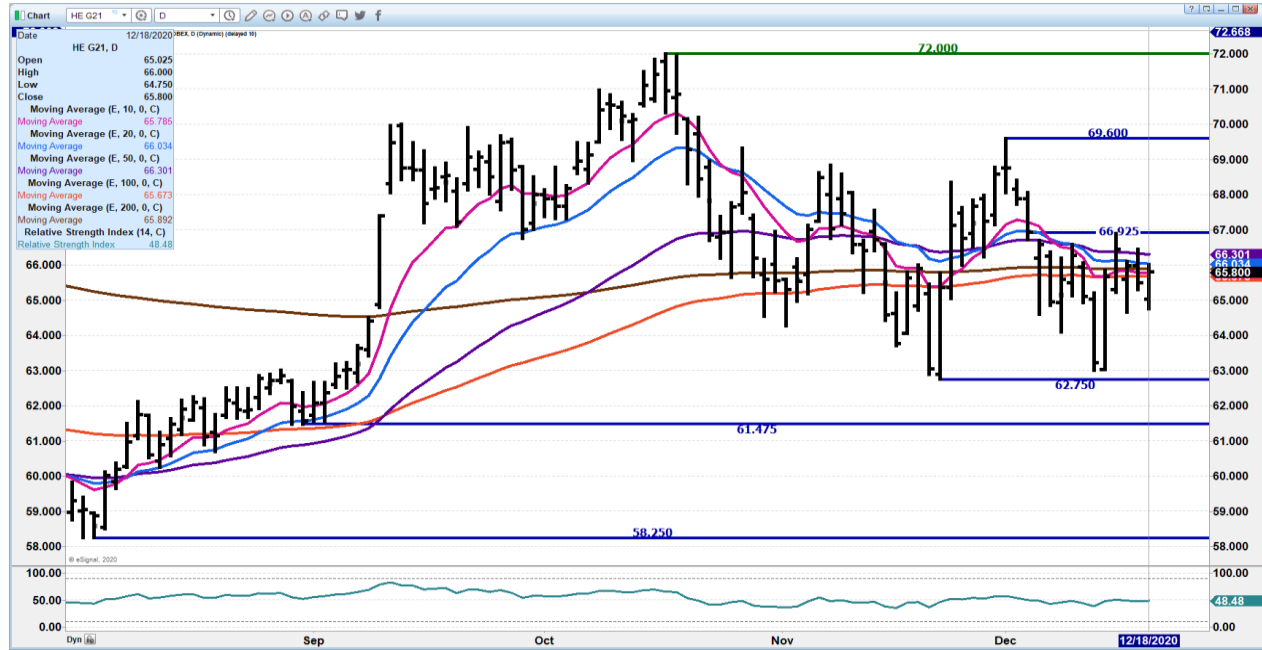


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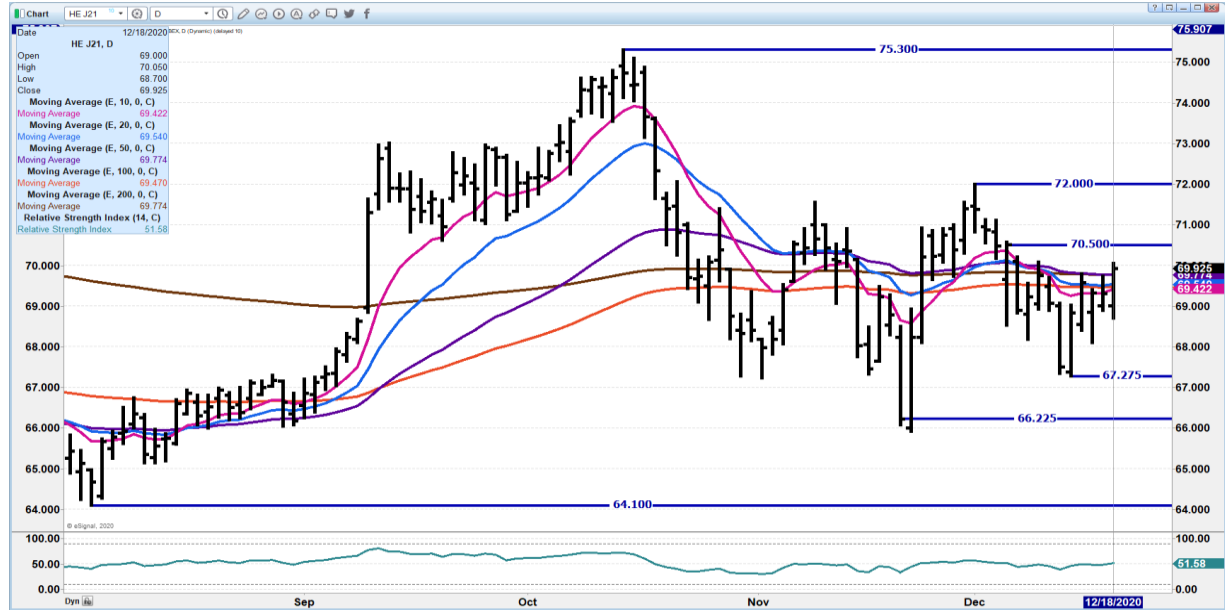
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FEB 2021 LEAN HOGS – RESISTANCE AT 66.27 SUPPORT AT 63.07 VOLUME 8866



APRIL 2021 LEAN HOGS – VOLUME AT 3988 RESISTANCE AT 70.50 SUPPORT AT 67.27

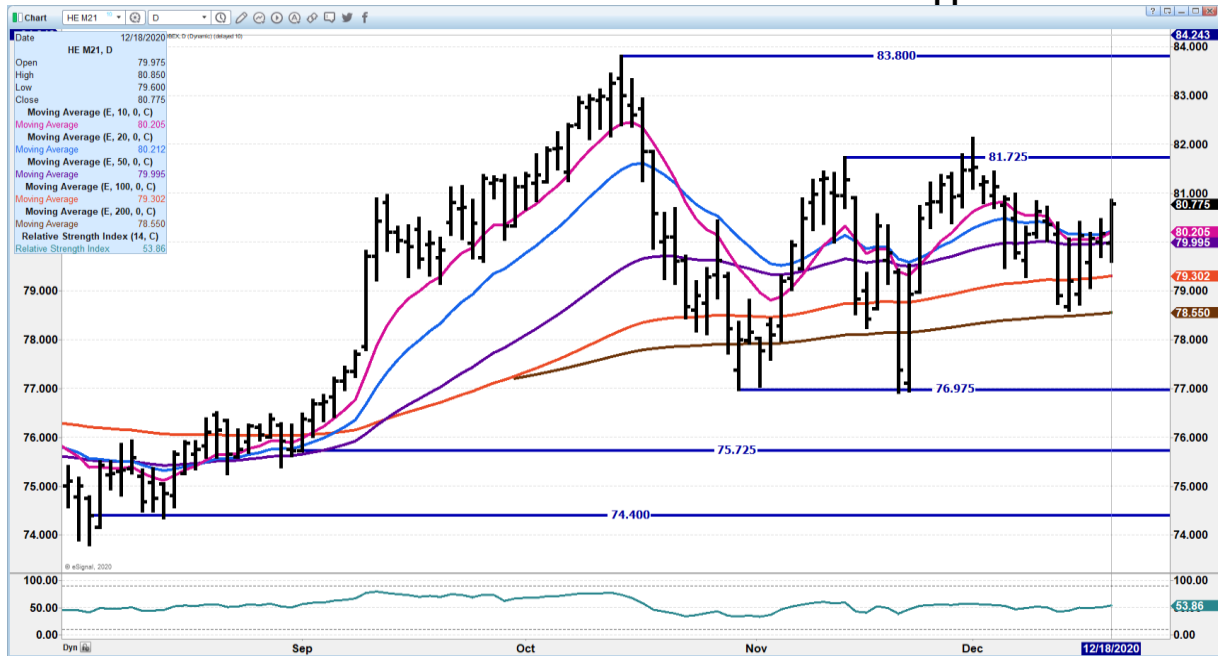


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JUNE 2021 LEAN HOGS – volume at 1865 Resistance at 81.25 Support at 70.30



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