



Daily Futures Market Commentary Livestock Outlook

WEDNESDAY MORNING FEBRUARY 24, 2021 LIVESTOCK REPORT

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February 23, 2021 Cold Storage Report on last page

CATTLE

USDA FEDERAL CATTLE SLAUGHTER

FEBRUARY 23, 2021	122,000
WEEK AGO	91,000
YEAR AGO	123,000
WEEK TO DATE (EST)	241,000
SAME PERIOD LAST WEEK (EST)	170,000
SAME PERIOD LAST YEAR (ACT)	240,000

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	CHOICE	SELECT
BOXED BEEF FINAL	240.29	230.53
CHANGE FROM PRIOR DAY	0.31	0.55
CHOICE/SELECT SPREAD:	9.76	
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):	132	
5 DAY SIMPLE AVERAGE:	238.07	226.61

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FINAL FEBRUARY 23, 2021

Primal Rib	395.64	354.20
Primal Chuck	204.89	201.57
Primal Round	192.93	195.59
Primal Loin	328.14	304.98
Primal Brisket	164.46	170.91
Primal Short Plate	138.99	138.99
Primal Flank	109.30	108.17

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FINAL FEBRUARY 22, 2021

Primal Rib	393.57	352.26
Primal Chuck	203.96	201.29
Primal Round	195.01	196.34
Primal Loin	325.84	303.52
Primal Brisket	171.47	169.62
Primal Short Plate	138.10	138.10
Primal Flank	107.62	108.93

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
02/22	57	9	9	14	89	239.98	229.98
02/19	53	9	12	16	90	239.23	227.90
02/18	64	15	4	12	96	238.85	227.47
02/17	38	10	9	12	70	237.51	225.64
02/16	46	8	8	17	78	234.77	222.03

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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	76.78 loads	3,071,080 pounds
Select Cuts	16.50 loads	660,052 pounds
Trimming	27.68 loads	1,107,145 pounds
Ground Beef	10.59 loads	423,562 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)

FRIDAY, FEBRUARY 26, 2021 IS LAST TRADING FOR FEBRUARY LIVE CATTLE

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Choice beef higher Tuesday. Demand continues for primal ribs, primal loins and primal chucks. Select primal rounds are 2.66 over Choice rounds with fabricators using Select cuts for further processing. Trimmings and ground beef are supporting the beef market just as more expensive cuts like rib sections and loins. This is positive.

Choice boxed beef is back to levels of November 2020. However, last November boxed beef was moving higher with demand for primal rib sections. Now beef is higher with cuts moving

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up all together. Primal rib sections are up but so are primal chucks and rounds. The Choice/Select spread has narrowed but with more Choice cattle, last at 85.1% Choice cattle to Select cattle.

Feedlots are asking \$116.00 to \$117.00 this week. They may get it even with cattle backed up from last week. Packers are pushing kill up to 122,000 on Tuesday and packers likely need beef to fill previously contracted orders they were not able to fill last week. Kill is back to levels of last year and if packers can push kill more they will.

Wednesday the Fed Cattle Exchange has 1199 head listed for sales.

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DELIVERY NOTICE SERVED – FEBRUARY 2021 - LIVE CATTLE
SETTLEMENT: FEBRUARY 23, 2021 - \$115.62
OLDEST LONG: 02/16/21 SETTLEMENT AT \$116.15
4 DELIVERIES

FIRM #	FIRM NAME	DEL	REC
800	MAREX SPEC	4	
905	ADM INVESTOR SERVICE		4

YARD
WEST POINT 4

ftp://ftp.cmegroup.com/delivery_reports/live_cattle_delivery/

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USDA POSTED CATTLE PRICES ON 02/23/2021

IA/MN – CASH – No Reportable Trade
DRESSED 575 HEAD AT 181.00 AVERAGE WEIGHT 1,046.5 POUNDS

NE – CASH No Reportable Trade
DRESSED 154 HEAD AT 181.00 AVERAGE WEIGHT 960 POUNDS

KS – CASH No Reportable Trade

TX/OK/NM – 114.05 ON 660 HEAD
WEIGHING 1,176.3 FOR HEIFERS AND 1,314.2 FOR STEERS FROM 35% TO 80% CHOICE AND SELECT

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***National Daily Direct Cattle 02/23/2021
5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1483	\$114.00	32,350
Live Heifer:	1350	\$114.05	12,812
Dressed Steer:	969	\$180.48	12,781
Dressed Heifer:	874	\$180.18	2,974

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As of February 16, 2021 dressed steer and heifer weights were 890.6 compared to previous week at 892.8, down 2.2 pounds from week ago. However, it is 16 pounds over a year ago. Grading percent was 85.1% up .9% compared to previous week at 84.2%. At 85.1% is a big number of Choice cattle. Should drop next week because of weather.
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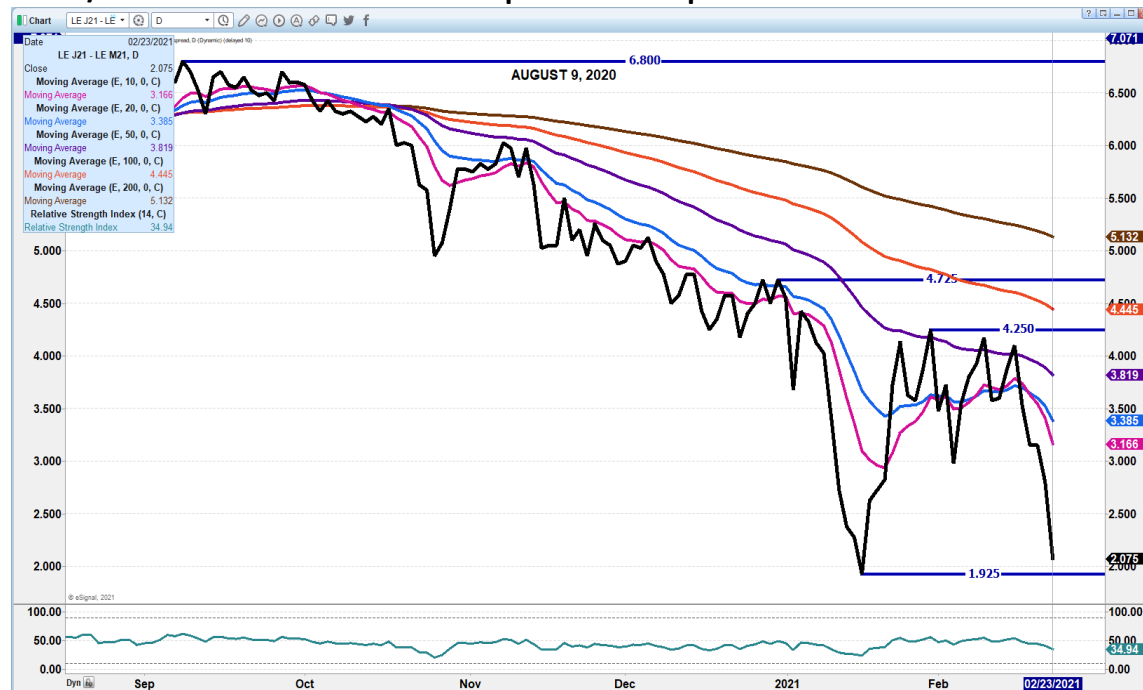
APRIL LIVE CATTLE/APRIL LEAN HOGS - SPREAD IS NARROW. A YEAR AGO IT WAS 50.62 AND IN 2019 AT 75.32



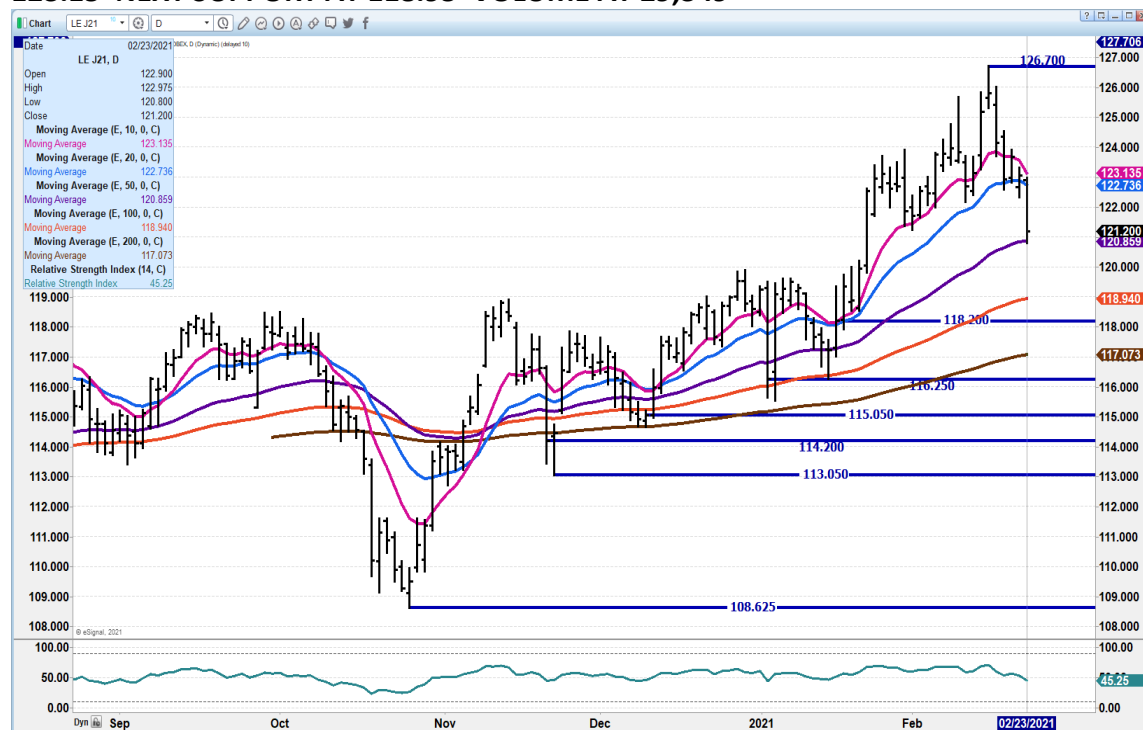
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APRIL/JUNE LIVE CATTLE SPREAD - Spread is bull spread.



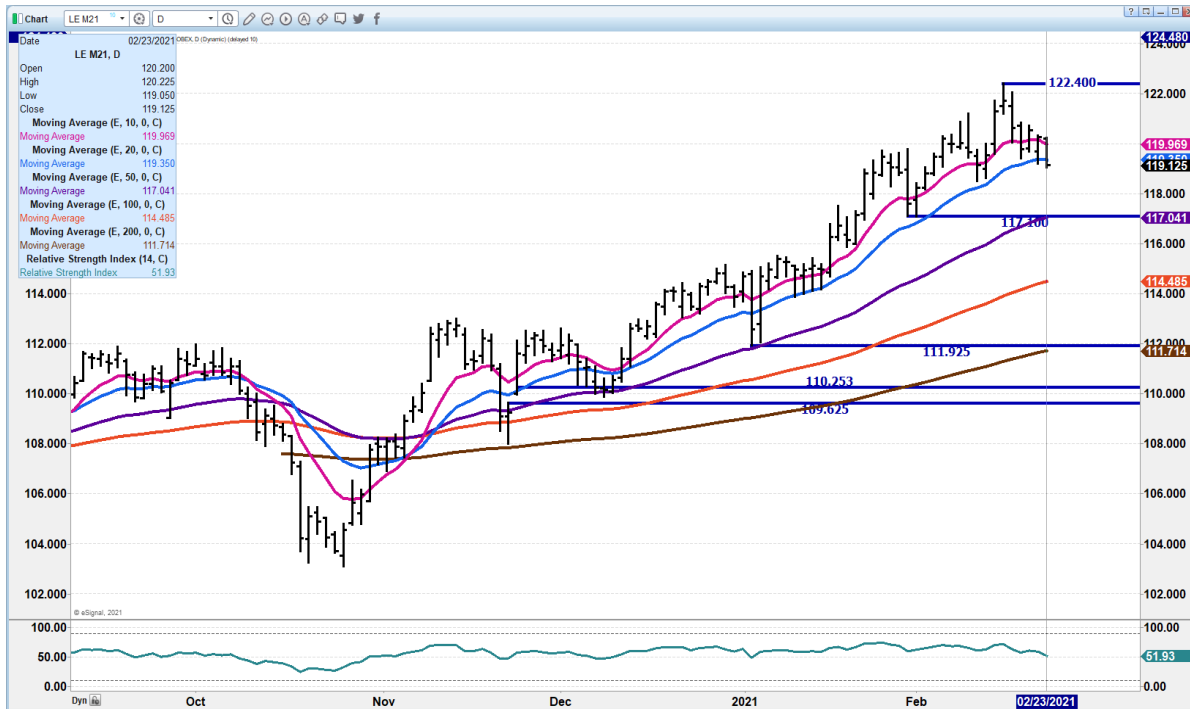
APRIL 2021 LIVE CATTLE - 50 DAY WAS SUPPORT WITH 20 DAY RESISTANCE AT 122.72 TO 123.15 NEXT SUPPORT AT 118.95 VOLUME AT 29,349



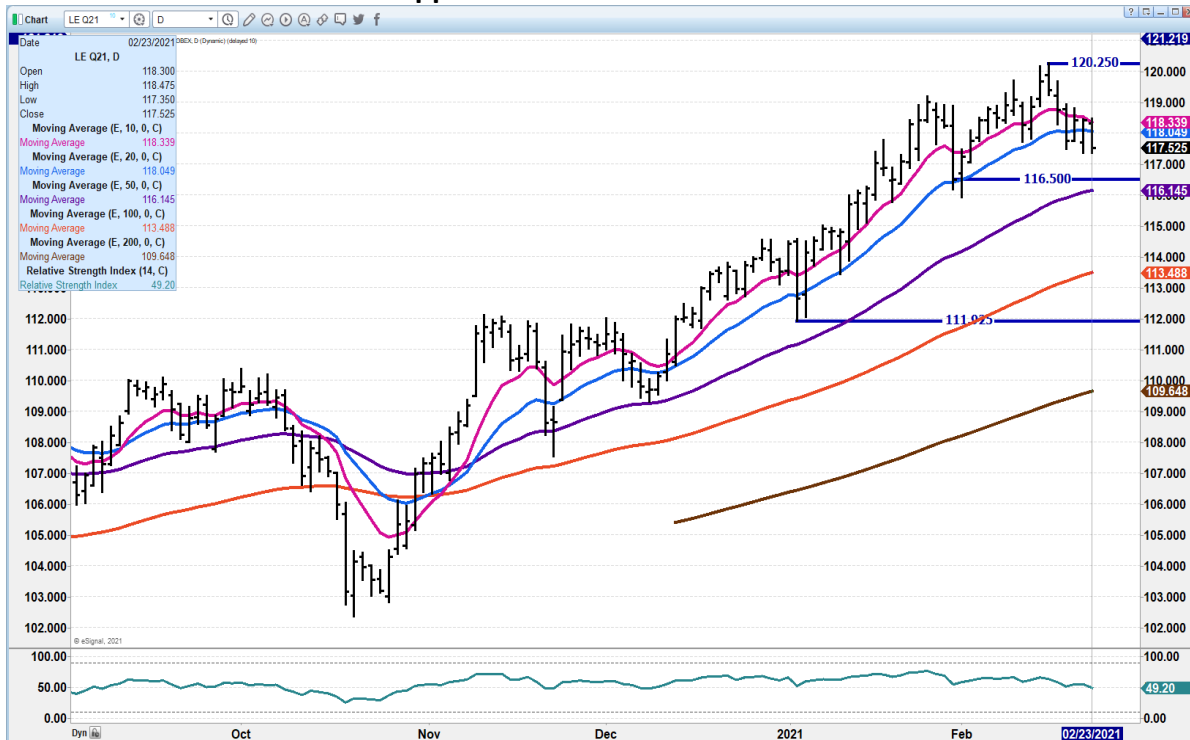
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JUNE 2021 LIVE CATTLE - Broke first support at 119.25 Next support at 117.10 Resistance 119.97 to 122.40



AUGUST 2021 LIVE CATTLE –Support at 116.50 to 116.15 Resistance at 118.35 to 120.25



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Feeder Cattle

THE CME FEEDER INDEX ON 02/22/2020 WAS 140.39 DOW2N 73 CENTS FROM PREVIOUS DAY

MARCH 2021 FEEDER CATTLE FUTURES SETTLED ON FEBRUARY 23, 2021 AT \$138.57

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 02/20/2021

RECEIPTS:	Auctions	Direct	Video/Internet	Total
THIS WEEK:	77,600	18,300	1,900	97,800
LAST WEEK:	130,500	41,100	36,700	208,300
YEAR AGO:	240,100	36,100	38,900	315,100

Compared to last week, steers and heifers at North Central auctions were 1.00 to 5.00 higher. Auction coverage was sparse this week in the Southeast and South Central parts of the country this week and were not tested. Extreme cold temperatures brought livestock commerce to a standstill in those areas. The North Central part of the country is more accustomed to these extreme temperatures as most of their reported auctions are later in the week and weather conditions were not as severe. In Oklahoma and Missouri(two large cow-calf states), only one feeder cattle auction per state was reported with less than 900 head combined between the two. For perspective, a year ago this week, Oklahoma and Missouri each contributed 35K plus to this report. Replacement cattle continue to be in demand this week as ranchers look for their next heifers that will make cows for a long time.

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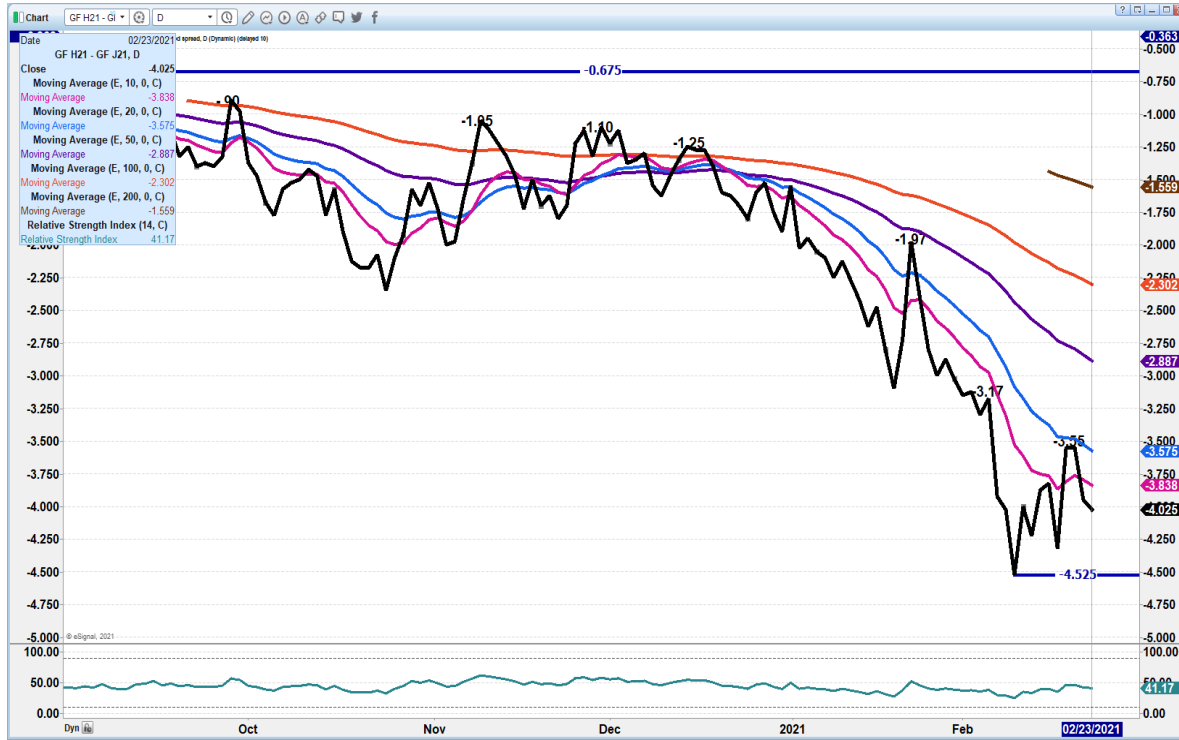
The CME Feeder Index is \$2.33 over the March 2021 futures. Demand should begin to pick up for feeders going into the spring

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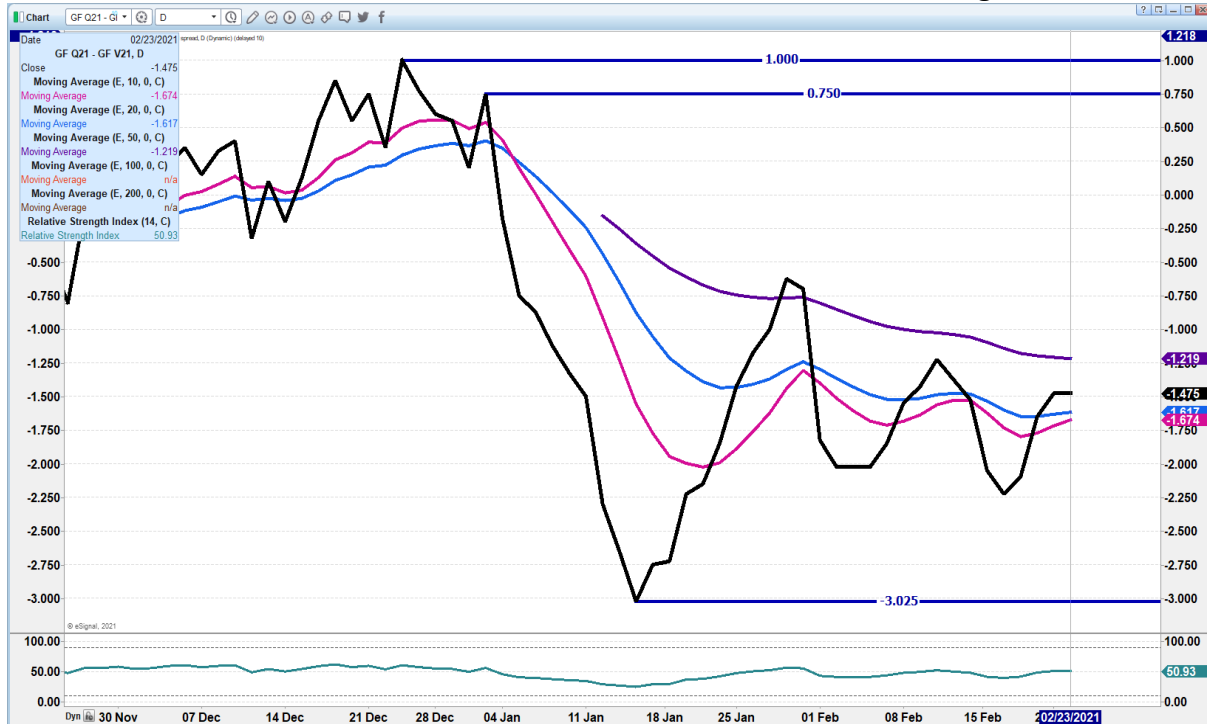
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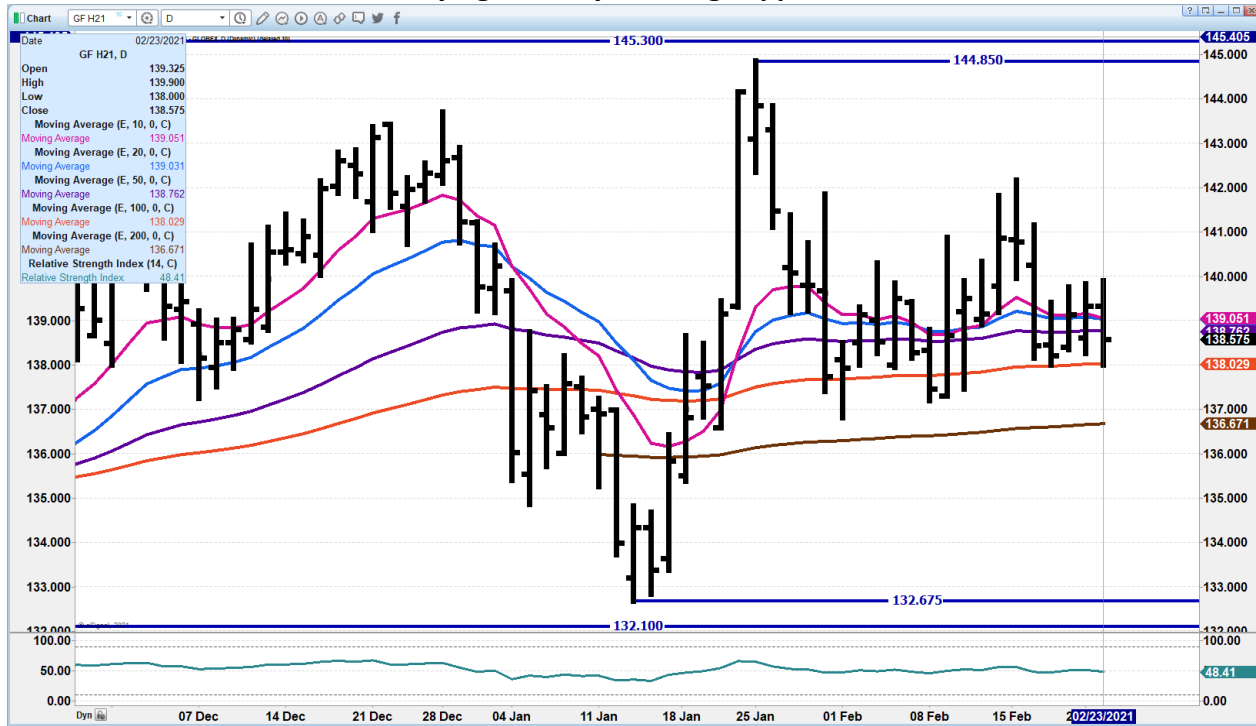
MARCH/APRIL 2021 FEEDER CATTLE SPREAD - Spread a bit wider than normal Look for reversal going into March



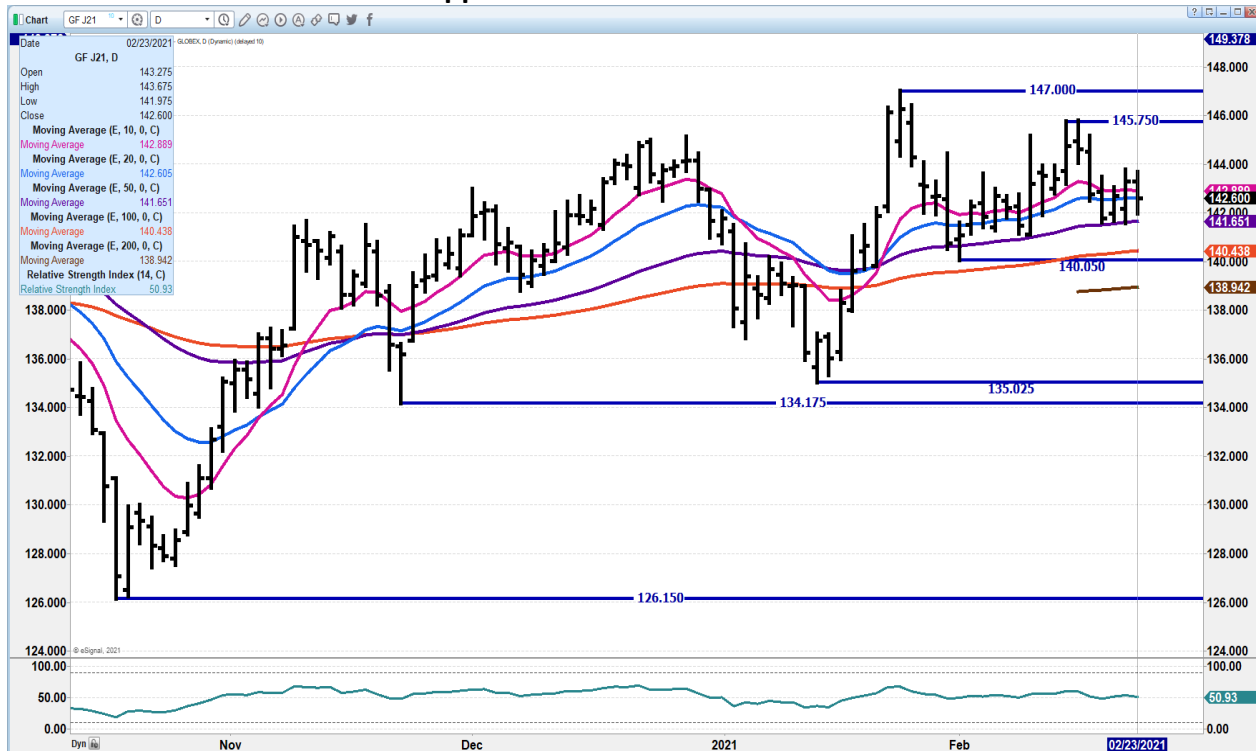
AUGUST/SEPTEMBER FEEDER CATTLE SPREAD – Look for more narrowing for fall feeders



MAR 2021 FEEDER CATTLE – Staying sideways. Strong support at 138.02 Resistance at 140.37



APRIL 2021 FEEDER CATTLE – Support at 141.65 to 138.97. Resistance at 143.02 to 145.75



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

FEBRUARY 23, 2021	497,000
WEEK AGO	411,000
YEAR AGO	493,000
WEEK TO DATE (EST)	986,000
SAME PERIOD LAST WEEK (EST)	823,000
SAME PERIOD LAST YEAR (ACT)	988,000

****REVISED MONDAY HOG SLAUGHTER..489,000** PREVIOUS ESTIMATE 497,000**

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CME CASH HOG INDEX 02/19/2020 AT 77.74 UP 31 FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 02/22/2021 AT 90.61 UP 17 CENTS FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 02/19/2021 WAS 198.27 COMPARED TO 2/12/2021 WAS 178.73

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Pork keeps on moving higher. Tuesday the carcass was up 64 cents with hams 6.95 over loins. The Peso is strong, and it is an opportunity for Mexicans to buy pork. With the Chinese I wouldn't be surprised to see China come with a big buy to refill their frozen stocks. A week ago Japan was the largest buyer and could see them remain a good buyer. Movement is light to moderate on daily sales and packers are needing majority of pork to fill previously contracted orders. Spreaders continue to buy April and spread summer and fall contracts

Asian countries have done better than most European, South American and the US controlling the COVID 19 spread. Demand did falter a year ago but has come back. With cheap US Dollar pork sales should remain good going into 2021.

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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

FEBRUARY 23, 2021

LOADS OF PORK CUTS: 323.53

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LOADS TRIM/PROCESSED PORK: 26.28

NOON

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
02/23/2021	349.81	92.75	80.18	80.76	55.67	150.78	87.13	156.91
Change		0.64	-0.08	2.12	-7.23	3.73	5.39	-1.01
Five Day Average --		91.27	79.39	78.74	58.47	149.17	81.25	157.61

Final

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
02/22/2021	267.63	92.11	80.26	78.64	62.90	147.05	81.74	157.92
Change		0.62	1.07	0.10	3.48	-1.68	-1.73	2.83
Five Day Average --		90.66	79.26	78.04	58.55	148.17	79.37	157.56

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NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

Slaughter Data for February 22, 2021

Average live weight 284.46

Average carcass - 213.48

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A User's Guide to USDA's LMR Hog Price Reports

<https://www.ams.usda.gov/sites/default/files/media/LMRswineReportingHandout.pdf>

DAILY DIRECT AFTERNOON HOG REPORT FEBRUARY 23, 2021

National Negotiated Carcass Price

Lowest price: 64.00

Highest price: 77.00

Weighted Average Price: 73.17

Head Count: 7,155

On a National basis, compared to the previous day's weighted average (LM_HG203), 2.65 higher

Other Market Formula (Carcass)

Lowest base price: 52.31

Highest base price: 92.42

Weighted Average Price: 78.45

Head Count: 34,562

Swine/Pork Market Formula (Carcass)

Lowest base price: 68.52

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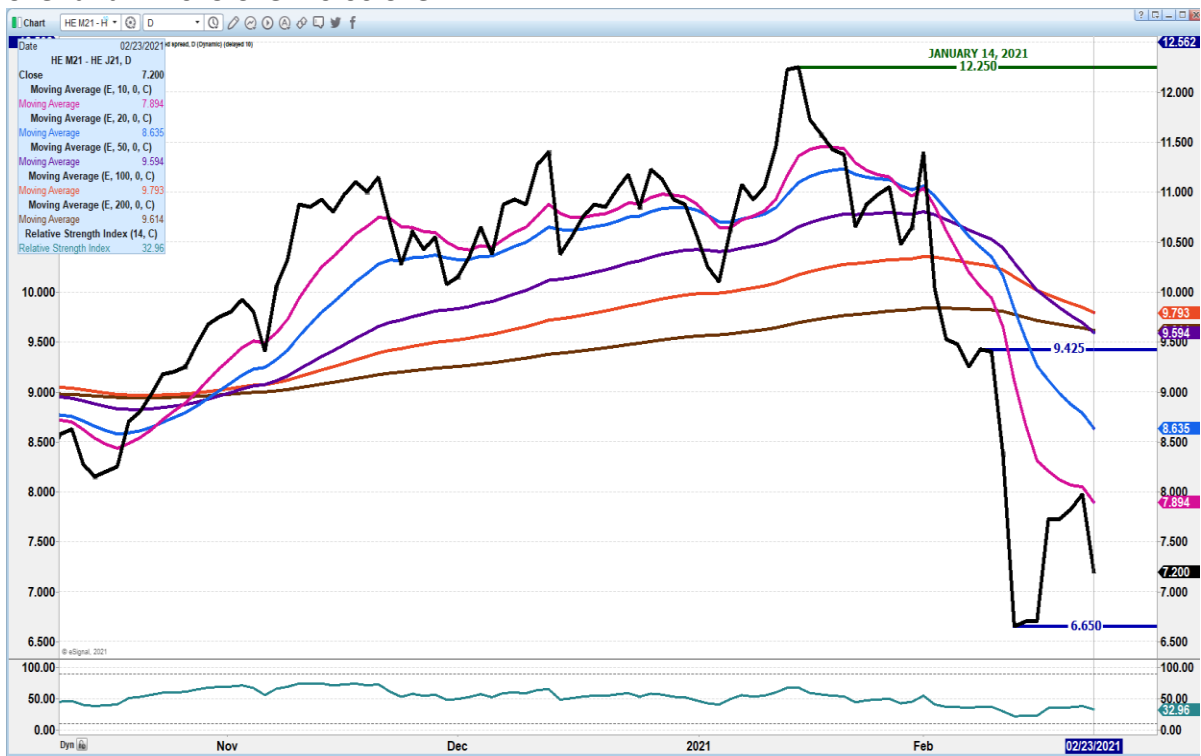
Highest base price: 87.68
 Weighted Average Price: 78.00
 Head Count: 157,344

Other Purchase Arrangement (Carcass)

Lowest base price: 64.23
 Highest base price: 95.72
 Weighted Average Price: 79.74
 Head Count: 60,759

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JUNE/APRIL LEAN HOG SPREAD – June losing to April Contra seasonal A year ago June 15.25 over and in 2019 over 20.00 over



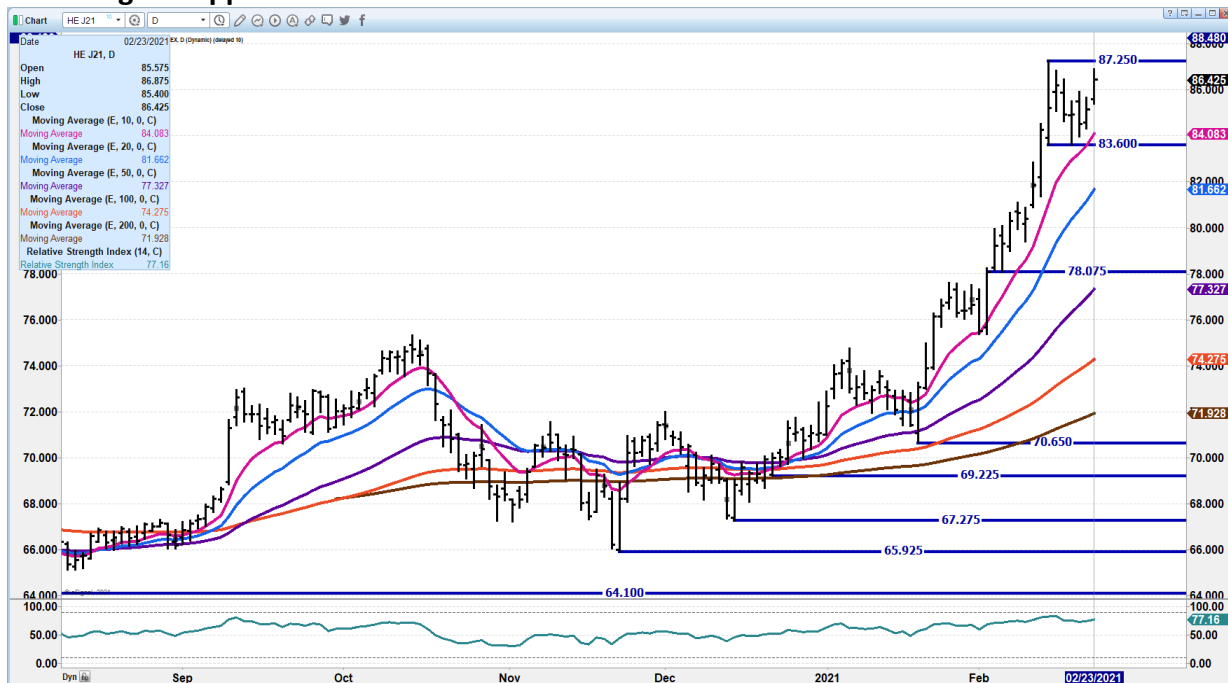
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AUGUST/OCTOBER 2021 LEAN HOG SPREAD – spread is very wide. But RSI is 68 so it isn't overbought.



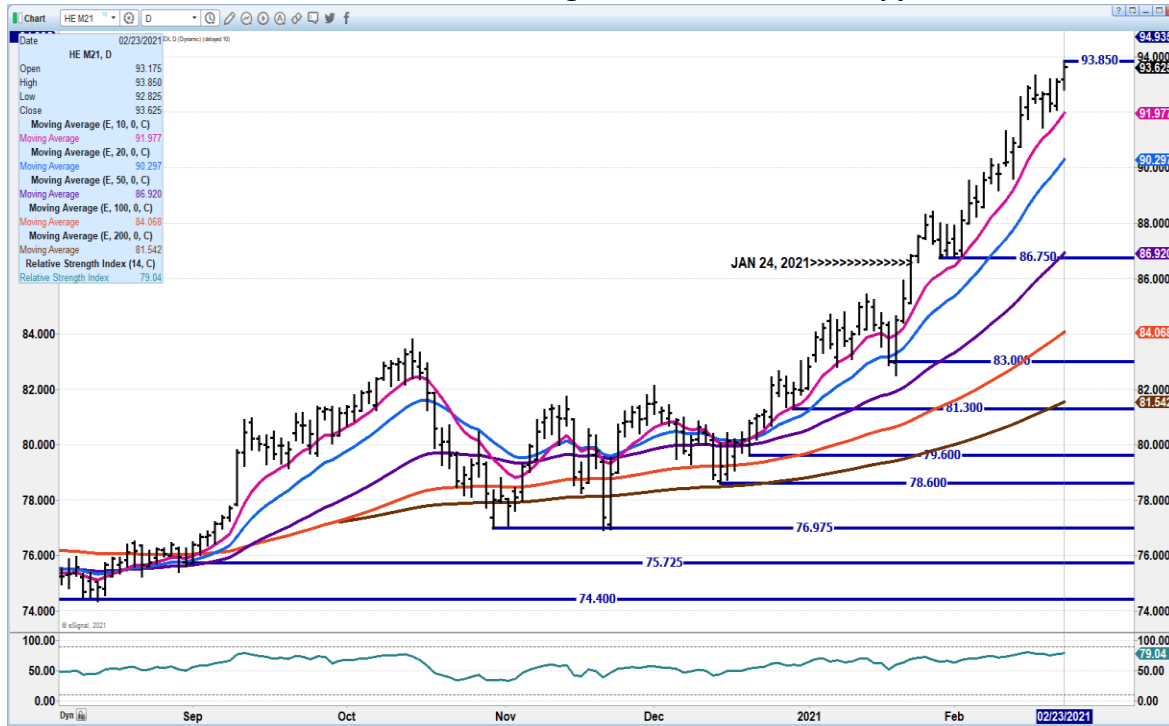
APRIL 2021 LEAN HOGS – New contract high close Resistance at 87.87 RSI at 77 is not overbought Support at 84.07 to 81.62



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JUNE 2021 LEAN HOGS – New contract high Resistance 94.37 Support at 91.95 to 90.27



**FEBRUARY 23, 2021 COLD STRAGE REPORT
January 2021 Highlights**

- Total red meat supplies in freezers were up 3 percent from the previous month but down 12 percent from last year.**
- Total pounds of beef in freezers were down 3 percent from the previous month but up 6 percent from last year.**
- Frozen pork supplies were up 11 percent from the previous month but down 26 percent from last year.**
- Stocks of pork bellies were up 2 percent from last month but down 56 percent from last year.**

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This report is old news with less than a week of February to go and how sales for both pork and beef prices have increased since January. I doubt the report has any effect to the current market with current beef prices at \$240 plus for Choice beef and at the end of January beef was around \$230 and current pork carcass price is close to \$15.00/cwt better now than January
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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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