

Daily Futures Market Commentary Livestock Outlook

MONDAY MORNING MAY 24, 2021 LIVESTOCK REPORT

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CATTLE ON FEED REPORT IN ON PAGE 3

CATTLE

USDA FEDERAL CATTLE SLAUGHTER

MAY 21, 2021	119,000
WEEK AGO	115,000
YEAR AGO	103,000
SATURDAY 05/22/2020	70,000 - A WEEK AGO 62,000, YEAR AGO 57,000
WEEK TO DATE (EST)	669,000
SAME PERIOD LAST WEEK (EST)	640,000
SAME PERIOD LAST YEAR (ACT)	572,000
2021 YEAR TO DATE	12,906,000
2020 *YEAR TO DATE	12,149,000

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	CHOICE	SELECT
BOXED BEEF FINAL	325.17	302.31
CHANGE FROM PRIOR DAY:	0.99	0.70
CHOICE/SELECT SPREAD:	22.86	
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):	67	
5 DAY SIMPLE AVERAGE:	321.49	298.09

FRIDAY MAY 14, 2021

BOXED BEEF FINAL	316.94	293.19
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FINAL MAY 21, 2021

PRIMAL RIB	533.75	451.45
PRIMAL CHUCK	240.06	237.19
PRIMAL ROUND	244.69	240.33

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PRIMAL LOIN	486.08	432.52
PRIMAL BRISKET	293.11	288.93
PRIMAL SHORT PLATE	217.62	217.62
PRIMAL FLANK	158.05	156.50

FINAL MAY 20, 2021

PRIMAL RIB	528.86	444.65
PRIMAL CHUCK	241.80	235.91
PRIMAL ROUND	241.59	238.86
PRIMAL LOIN	483.76	434.28
PRIMAL BRISKET	297.97	297.98
PRIMAL SHORT PLATE	217.65	217.65
PRIMAL FLANK	158.06	155.15

PREVIOUS WEEK'S CLOSE

FINAL MAY 14, 2021

PRIMAL RIB	529.24	436.57
PRIMAL CHUCK	233.13	226.20
PRIMAL ROUND	227.61	228.86
PRIMAL LOIN	477.48	430.29
PRIMAL BRISKET	298.11	270.72
PRIMAL SHORT PLATE	214.47	214.47
PRIMAL FLANK	156.83	

CME BOXED BEEF INDEX FOR 05/20/2021 WAS AT 316.34 UP 1.11 FROM PREVIOUS DAY

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
05/20	34	17	10	10	70	324.18	301.61
05/19	56	15	39	12	122	323.38	299.69
05/18	51	23	28	12	114	323.34	299.05
05/17	38	13	20	13	85	319.62	296.89
05/14	63	14	22	9	107	316.94	293.19

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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)

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Choice Cuts	32.52 loads	1,300,883 pounds
Select Cuts	14.32 loads	572,889 pounds
Trimming	13.25 loads	529,986 pounds
Ground Beef	7.01 loads	280,517 pounds

MAY 2021 LIVESTOCK REPORTS

COLD STORAGE REPORT - MONDAY MAY 24,2021 2:00PM CENTRAL TIME

USDA CATTLE ON FEED REPORT MAY 21, 2021

	Range	Average	ACTUAL
On feed May 1	103-105.7	103.9	105
Placements in April	117.7-139.7	122.5	127
Marketings in April	129-136.4	133.0	133

Cattle and calves on feed for the slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 11.7 million head on May 1, 2021. The inventory was 5 percent above May 1, 2020. *This is the second highest May 1 inventory since the series began in 1996.*

Placements in feedlots during April totaled 1.82 million head, 27 percent above 2020. Net placements were 1.77 million head. During April, placements of cattle and calves weighing less than 600 pounds were 380,000 head, 600-699 pounds were 250,000 head, 700-799 pounds were 420,000 head, 800-899 pounds were 481,000 head, 900-999 pounds were 220,000 head, and 1,000 pounds and greater were 70,000 head.

Marketings of fed cattle during April totaled 1.94 million head, 33 percent above 2020.

Other disappearance totaled 55,000 head during April, 21 percent below 2020. Other disappearance was the lowest for April since the series began in 1996.

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Chris Lehner

This report is simply the opposite of a year ago when packers were killing their own cattle and contract cattle when showlist producers were begging a packer to take their cattle or they took the cattle out of feedlots and put them on grass. You may recall a report, when producer found a high school football field for his cattle. It is why there was huge disappearance a year ago and the low disappearance this April

Placements do show after June numbers drop off but reports in April did show there were a lot of cattle being bought for grass.

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The On Feed and Marketing numbers of this report likely won't do much to move prices. Comparing anything to 2020 is like comparing night and day. Currently, future prices for August into 2022 are already priced with premiums. Monday, I don't see this report doing much of anything to the markets. Cattle are bear spread and don't see it changing.

Solid demand for beef. The Choice/Select spread is widening out and primal cuts, chucks and rounds, are big part of why beef is moving. Packers now have a light end of product to meet needs of the household buyer and heavier cattle for institutions, restaurants and exports. Currently, there is a demand for mid-priced cuts and the lower primals to meet the upcoming Memorial Day weekend, hamburgers on the grill.

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As of MAY 18, 2021 dressed steer and heifer weights were 865.4 compared to previous week at 863.5, up 1.9 pounds for the week . Grading percent was 82.1 down 1% compared to previous week at 83.1%.

Cattle grading less shows packers are pulling cattle ahead and the mixed of heavy cattle to lighter cattle is showing more lighter cattle going to kill. The Southwest is current to the point packers have been taking contracts about two weeks ahead of their normal weights.

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USDA POSTED SUMMARY CATTLE PRICES ON 05/21/2021

**IA/MN – CASH – 118.00 - 121.15
DRESSED - 188.00 - 192.00**

**NE – CASH 119.00 - 120.00
DRESSED – 190.00 - 193.00**

**KS – CASH 118.00 - 119.00
DRESSED – 191.0**

**TX/OK/NM –118.00 - 119.00
DRESSED NO SALES**

**CO – 120.00
DRESSED 191.00**

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*****National Daily Direct Cattle 05/20/2021**
5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1449	\$119.76	33,096
Live Heifer:	1291	\$119.52	13,067
Dressed Steer:	929	\$190.56	17,256
Dressed Heifer:	847	\$190.78	3,650

AUGUST LIVE CATTLE/AUGUST LEAN HOGS – DON'T SEE HOW COF REPORT WILL REVERSE SPREAD. HOGS LIKELY WILL GO EVEN TO CATTLE



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AUGUST/OCTOBER 2021 LIVE CATTLE SPREAD – POSITIVE SPREAD IHAS BEEN NARROWING. NEED TO SEE IT CONTINUE TO NARROW. IF WIDENS, IT WILL BE BEARISH



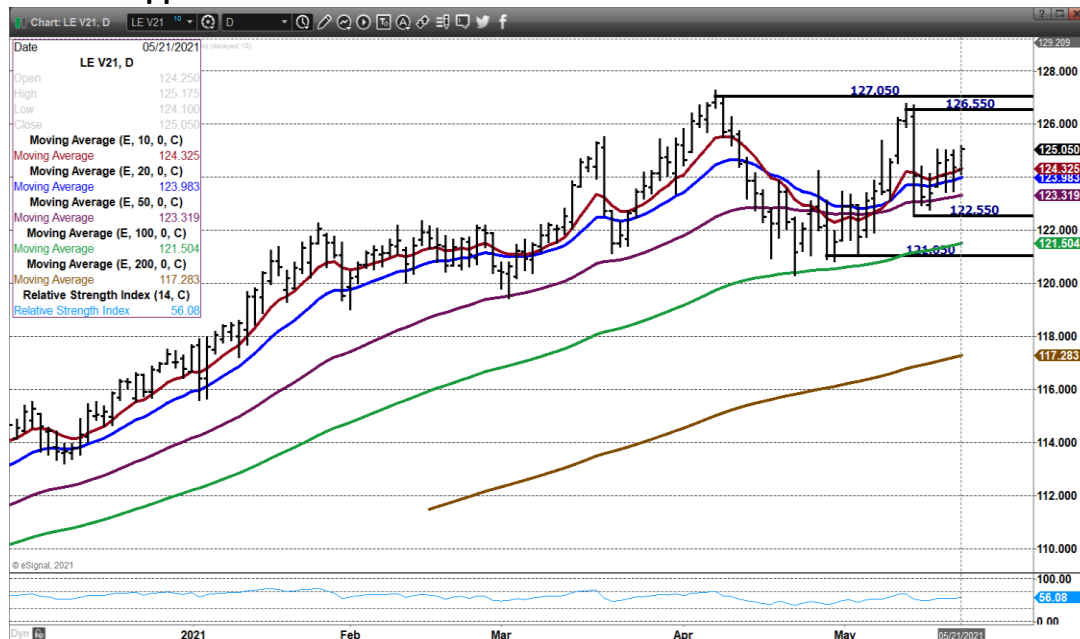
JUNE 2021 CATTLE – A close over 50 day average is needed Next resistance at 119.42 Support at 10 day average at 116.70 to 114.15



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OCTOBER 2021 LIVE CATTLE - Closing above all moving averages is positive. Resistance at 125.55 Support at 123.90 to 123.30



Feeder Cattle

THE CME FEEDER INDEX ON 05/20/2021 WAS 135.20 UP 1.34 CENTS FROM PREVIOUS DAY - MAY 2021 FEEDER CATTLE FUTURES SETTLED ON MAY 21, 2021 AT \$137.22

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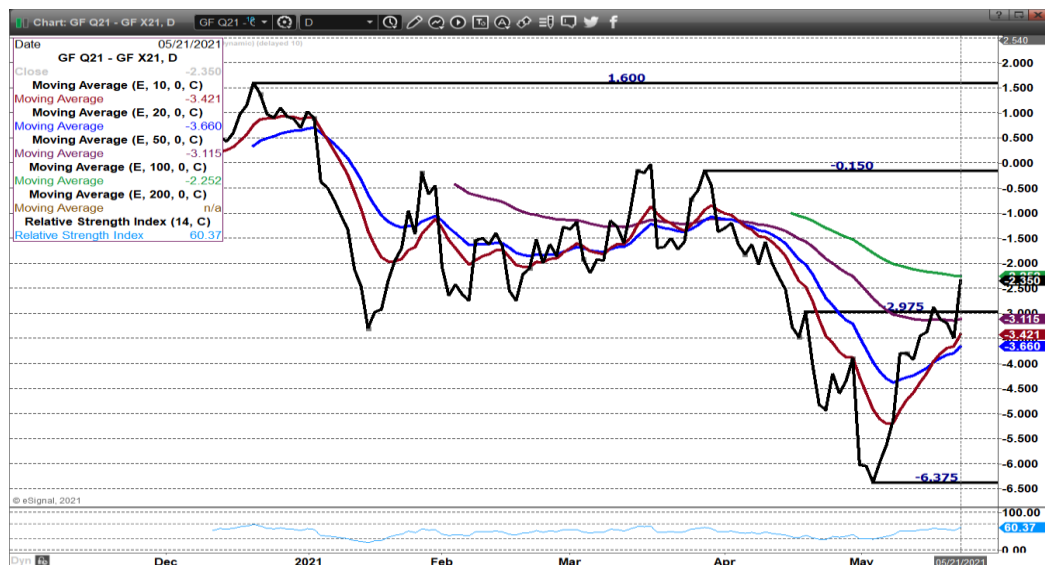
PLACEMENT NUMBERS ON THE CATTLE ON FEED REPORT WERE BELOW SAME PERIOD BACK TO 2019. IF THERE A SIGNIFICANT NUMBER THIS IS IT. FEWER FEEDERS ARE PLACED. NOW THE QUESTION WILL BE HOW WILL FUTURES REACT TO THE POSITIVE NEWS WHEN FUTURES FROM AUGUST 2021 ON OUT ARE AT LARGE PREMIUMS ALREADY.

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AUGUST/NOVEMBER 2021 - AUGUST GAINING ON NOVEMBER IS POSITIVE. IF CONTINUES IT IS BULLIISH

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AUGUST 2021 FEEDER CATTLE - Strong close Support at 150.90 Resistance at 154.67



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LEAN HOGS

PRICE LIMIT \$4.50

USDA ESTIMATED FEDERAL HOG SLAUGHTER

MAY 21, 2021	463,000
WEEK AGO	461,000
YEAR AGO	387,000
SATURDAY 05/22/2021	12,000- A WEEK AGO 14,000 - YEAR AGO 181,000
WEEK TO DATE (EST)	2,393,000
SAME PERIOD LAST WEEK (EST)	2,395,000
SAME PERIOD LAST YEAR (ACT)	2,173,000
2021 YEAR TO DATE	51,231,000
2020 *YEAR TO DATE	50,169,000

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CME CASH LEAN HOG INDEX 05/19/2020 AT 111.44 DOWN 18 CENTS FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 05/20/2021 AT 117.00 UP .56 FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 5/14/2021 WAS 210.67 COMPARED TO 5/07/2021 WAS 205.09

CME PORK INDEX TO CME LEAN HOG INDEX 5.66 (Pork over the past week has been gaining on lean hog index. It is usually positive.)

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Kill is down. Pork demand is strong and there are fewer and lighter hogs. It is not bearish. On top of it loins and hams are cheap when compared to mid priced primals.

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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

MAY 21, 2021

LOADS OF PORK CUTS: 302.73

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TRIM/PROCESSED PORK: 32.57

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
05/21/2021	335.31	120.86	118.29	151.92	83.78	289.35	81.23	172.03
Change		1.64	3.16	3.58	3.34	0.44	2.63	-0.55
Five Day Average --		118.14	114.92	146.13	80.32	285.93	80.30	168.24

FINAL PREVIOUS FRIDAY CLOSE

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
05/14/2021	340.34	115.70	112.99	139.22	78.59	275.08	81.42	165.04
Change		0.49	7.60	5.05	-5.52	8.01	-4.17	-9.60
Five Day Average --		114.47	107.70	131.80	78.85	265.34	85.99	165.80

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NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

Slaughter Data for May 20, 2021

Average live weight 283.46

Average carcass - 212.81

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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 FRIDAY MAY 21, 2021

National Negotiated Carcass Price

Lowest price: 101.68

Highest price: 116.00

Weighted Average Price: 106.80

Head Count: 5,011

On a National basis, compared to the previous day's weighted average 2.99 lower

Other Market Formula (Carcass)

Lowest base price: 65.95

Highest base price: 115.97

Weighted Average Price: 98.92

Swine/Pork Market Formula (Carcass)

Head Count: 22,029

Swine/Pork Market Formula (Carcass)

Lowest base price: 81.81

Highest Base Price: 121.32

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Weighted Average Price: 109.80
Head Count: 167,403

Other Purchase Arrangement (Carcass)

Lowest base price: 65.15

Highest base price: 119.46

Weighted Average Price: 106.33

Head Count: 58,790

https://www.ams.usda.gov/mnreports/ams_2511.pdf

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Past Highs on Lean Hogs

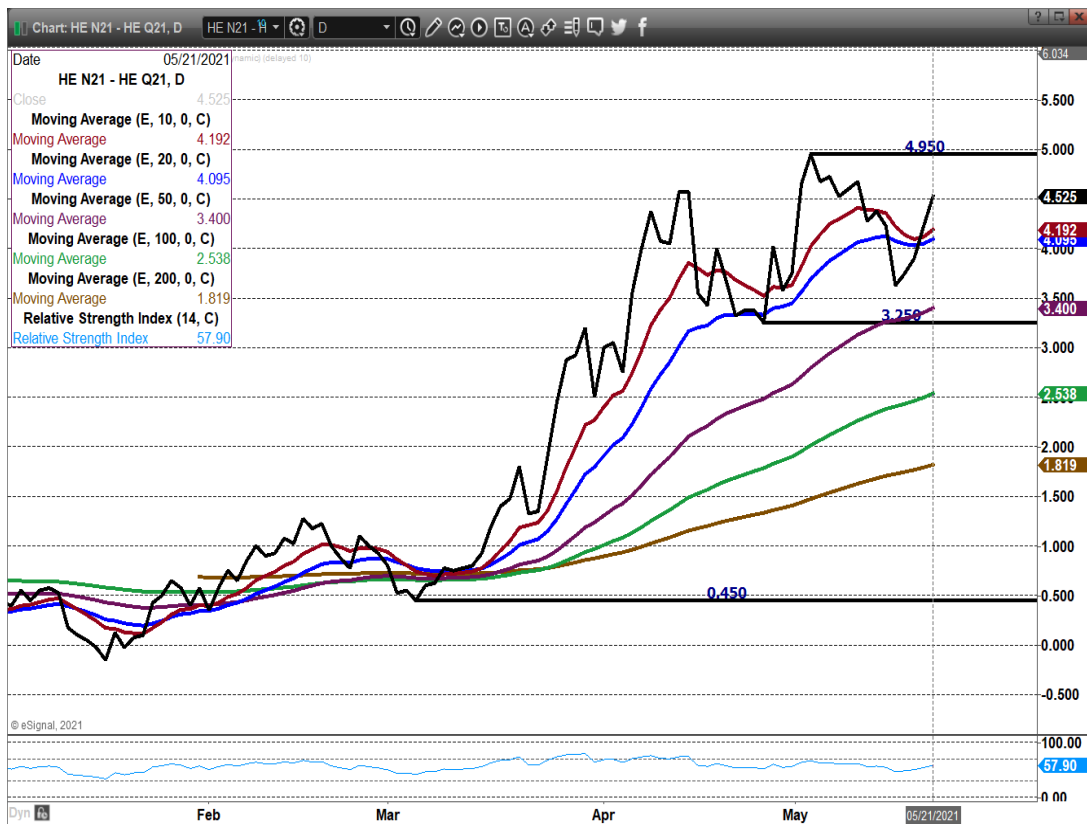
Contract Month & Year	Contract High	Date
April 2014	\$128.77	April 2, 2014
June 2014	\$133.42	March 18, 2014
July 2014	\$133.90	July 15, 2014
August 2014	\$133.37	July 1, 2014
October 2014	\$118.35	July 7, 2014
December 2014	\$105.50	July 9, 2014
February 2015	\$100.00	June 22, 2014

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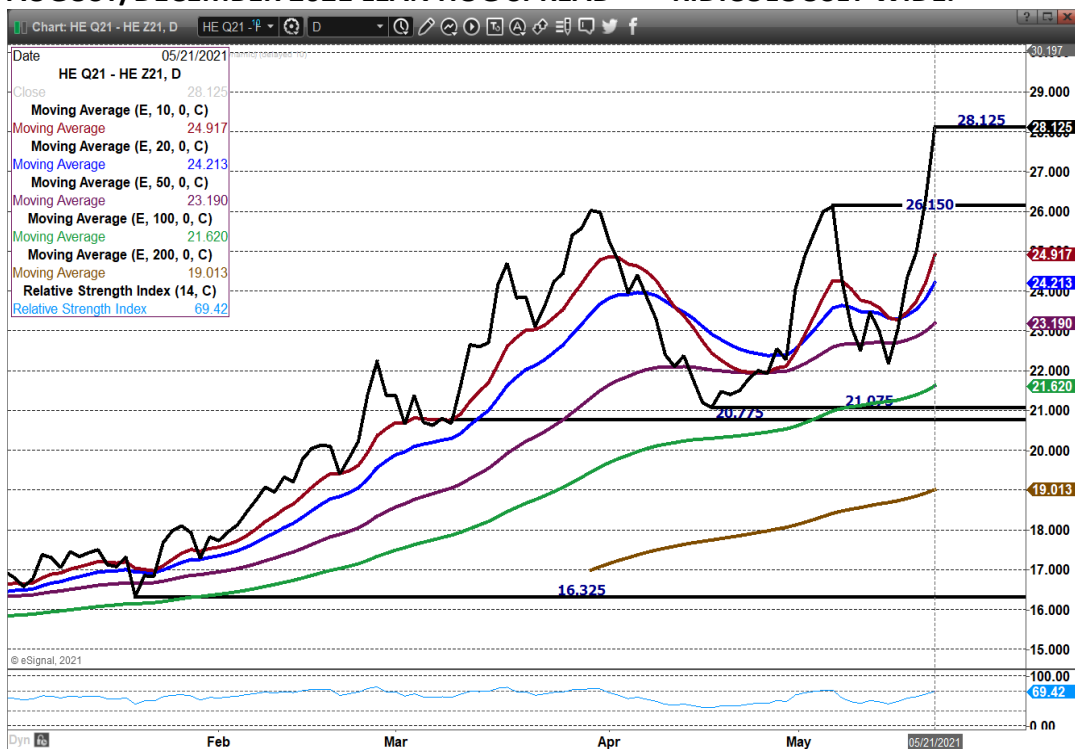
JULY/AUGUST LEAN HOG SPREAD - Spread is bull spread. Can't argue with market trend

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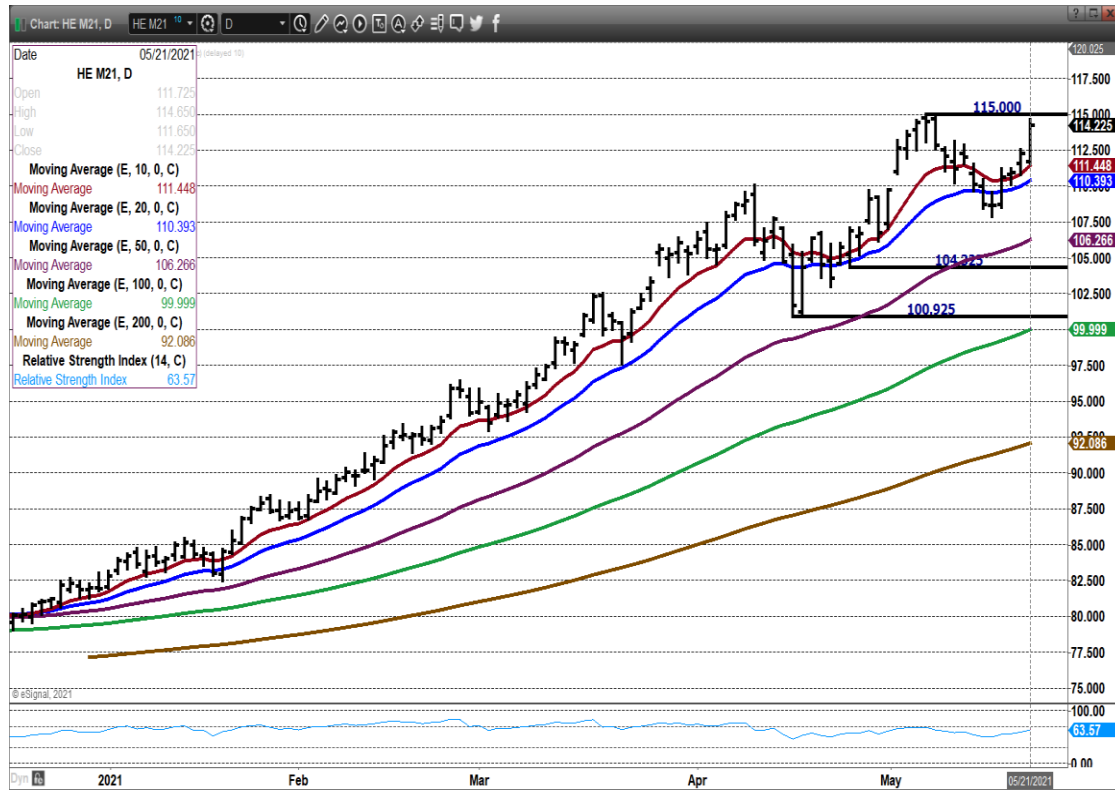
AUGUST/DECEMBER 2021 LEAN HOG SPREAD – RIDICULOUSLY WIDE.



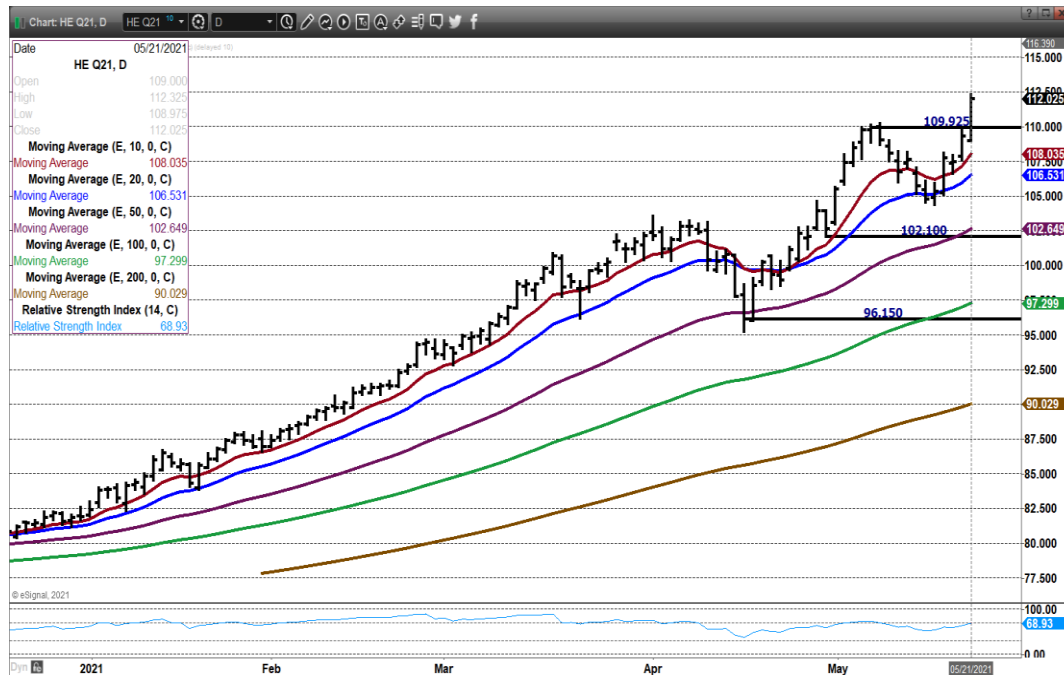
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JUNE 2021 LEAN HOGS - 115.00 RESISTANCE SUPPORT AT 100 DAY AVERAGE ALSO WHERE THE CME INDEX IS 111.44 CLOSED NEXT SUPPORT AT 110.37



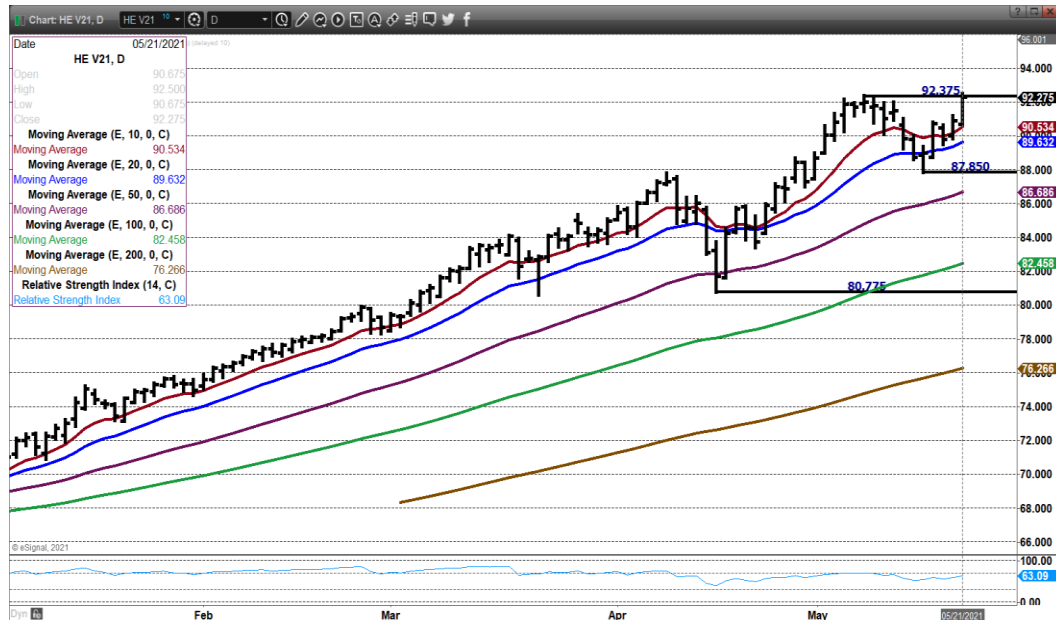
AUGUST 2021 LEAN HOGS – SUPPORT AT 108.27 RESISTANCE AT 115.00 RSI AT 68 IS NOT OVERBOUGHT



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**OCTOBER 2021 LEAN HOGS - NEW CONTRACT HIGH CLOSE LARGE DISCOUNT TO AUGUST.
RSI AT 63 FAR FROM OVERBOUGHT. SUPPORT AT 90.55 TO 87.85**



CHARTS FROM ESIGNAL INTERACTIVE, INC.

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