



Morning July 10, 2020 Livestock Report

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CATTLE

USDA FEDERAL SLAUGHTER

JULY 9, 2020	120,000
WEEK AGO	121,000
YEAR AGO	119,000
WEEK TO DATE (EST)	474,000
SAME PERIOD LAST WEEK (EST)	484,000
SAME PERIOD LAST YEAR (ACT)	476,000

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	CHOICE	SELECT
BOXED BEEF FINAL	203.59	194.83
CHANGE FROM PRIOR DAY	(0.24)	(0.69)
CHOICE/SELECT SPREAD:		8.76
TOTAL LOAD COUNT		163
5 DAY SIMPLE AVERAGE:	205.08	197.30

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FINAL JULY 09, 2020	CHOICE	SELECT
Primal Rib	326.92	311.17
Primal Chuck	168.42	162.32
Primal Round	168.66	167.86
Primal Loin	271.20	250.28
Primal Brisket	163.34	152.62
Primal Short Plate	128.12	128.12
Primal Flank	117.89	117.72

Final JULY 08, 2020	CHOICE	SELECT
Primal Rib	327.05	307.91
Primal Chuck	167.75	165.87
Primal Round	168.44	169.53
Primal Loin	273.38	249.61
Primal Brisket	163.73	150.57
Primal Short Plate	127.95	127.95
Primal Flank	117.99	114.55

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LOAD COUNT AND CUTOUT VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
07/08	94	37	22	24	178	203.83	195.52
07/07	69	20	9	26	124	205.30	196.84
07/06	92	25	21	32	169	205.46	196.97
07/02	88	16	21	31	156	205.44	198.76
07/01	105	27	18	43	193	205.38	198.43

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	75.85 loads	3,033,834 pounds
Select Cuts	32.96 loads	1,318,306 pounds
Trimmings	31.35 loads	1,253,857 pounds
Ground Beef	23.23 loads	929,309 pounds

(The combined Trimmings and Ground beef loads nearly the same as Choice. It is likely to change with late and final sales, but movement shows what consumer is choosing to buy and they aren't buying steaks or prime rib roasts.)

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)

JULY 2020 LIVESTOCK REPORTS
COLD STORAGE REPORT – WEDNESDAY, JULY 22, 2020 2:00PM US CENTRAL TIME
CATTLE ON FEED REPORT – FRIDAY, JULY 24, 2020 2:00PM US CENTRAL TIME

How Boxed Beef Prices have Changed in Two Months

May 12th was the high for Boxed Beef. Compare the change in prices to the table above.

	CHOICE	SELECT
BOXED BEEF FINAL 05/12/20	475.39	450.97
CHOICE/SELECT SPREAD:	24.42	

FINAL MAY 12, 2020 BOXED BEEF	CHOICE	SELECT
Primal Rib	523.58	472.06



Primal Chuck	470.49	493.54
Primal Round	501.88	477.96
Primal Loin	548.67	487.66
Primal Brisket	431.25	290.83
Primal Short Plate	273.15	273.15
Primal Flank	207.01	203.62

On May 12th, the USDA posted cash cattle prices from \$105 to \$110 and dressed prices were \$185.00

No wonder packers pushed President Trump to sign the Defense Protection Act. Maybe it was to take the liability away from packers being sued. But at close to \$900/head profits, they could have afforded a few lawsuits.

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A sign of the economy shows in the pricing differences or lack of difference between Choice and Select beef and what the consumer is buying. Combined loads of trimmings and ground beef are only 28% different than Choice movement. There is little difference between primal Rounds, Flanks and Short Plates. Primal Rib and Loin sections have been cuts pulling down the cutout.

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The Fed Cattle Exchange had 1,390 head on Wednesday's Internet auction. 659 head sold. 643 were for 1-9 day delivery from \$95.00 to 95.25 and 150 sold for 1-17 day delivery for \$95.00. All the cattle sold were from Kansas feedlots.

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COVID 19 is not going away and in several states it is doing the opposite. The coronavirus is not bullish beef.

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USDA POSTED CATTLE PRICES ON 7/09/2020
 IA/MN –CASH 98.00 - 100.00 DRESSED; 157.00 - 160.00
 NE - CASH – 96.00 - 97.00 DRESSED 155.00 - 157.00
 KS – CASH - 94.00 - 98.00 DRESSED: NO DRESSED REPORTED THURSDAY
 TX/OK/NM – CASH: 94.00 \$1.00 LOWER THAN WEDNESDAY
 CO – 152.00 DRESSED ON 80 HEAD

National Daily Direct Cattle July 09, 2020
 (5 day accumulated weighted avg)

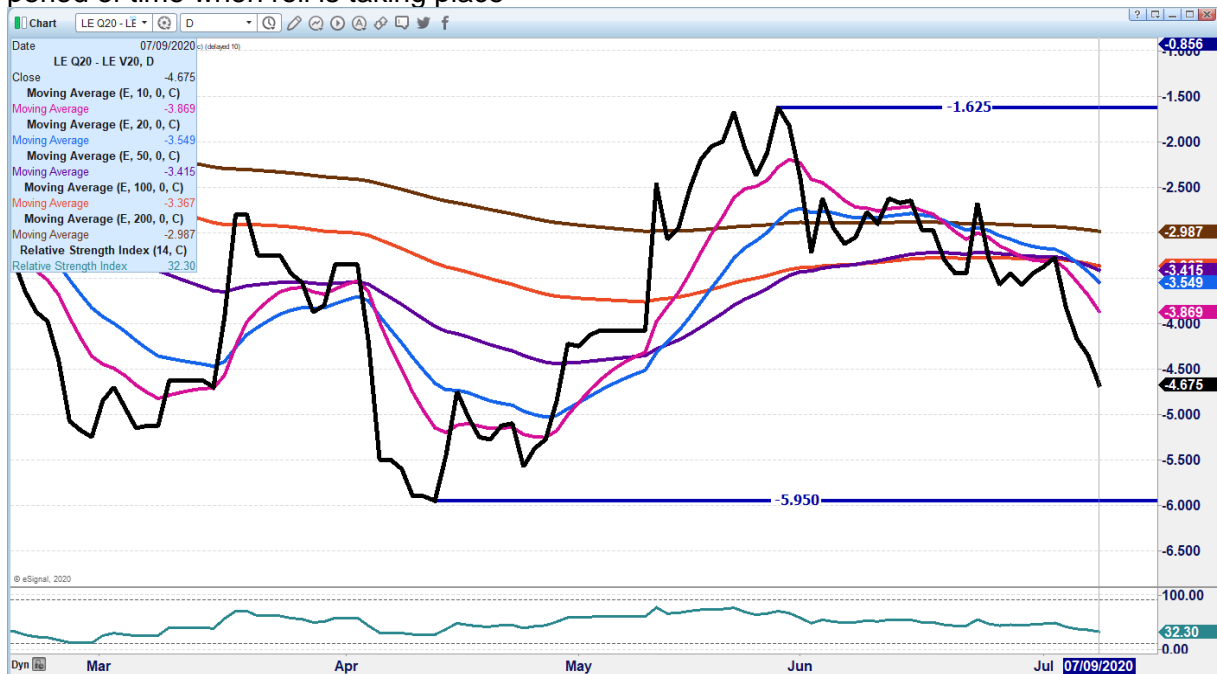
	Weight	Price	Head
Live Steer:	1445	\$95.33	66,309
Live Heifer:	1296	\$95.18	31,943
Dressed Steer:	917	\$155.99	30,753
Dressed Heifer:	832	\$154.97	8,994



As of July 7th Dressed weights were 874.1 compared to previous week at 875.4. Weights are 38 pounds over a year ago. Grading percent was 82.4% compared to previous week at 83.3%.

CHARTS ARE UPDATED ON MORNING REPORTS –

AUGUST 2020 LIVE CATTLE/OCTOBER 2020 LIVE CATTLE - Spread is wide even for the period of time when roll is taking place



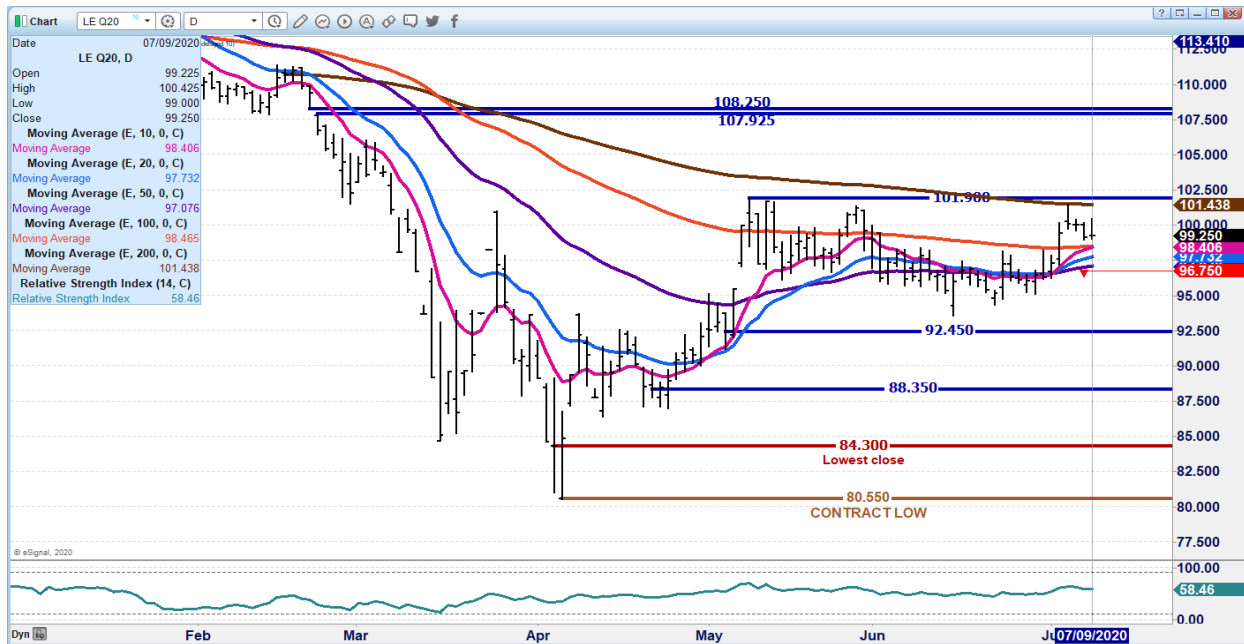
**AUGUST 2020 LIVE CATTLE – Attempted rally but fizzled. Resistance is 101.45 to 101.90
Support is 98.47 to 96.75**



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Daily Futures Market Commentary



OCTOBER 2020 LIVE CATTLE – Resistance is 104.42 to 104.97 A close over 105.17 is friendly and could move October to gap at 111.75 to 112.45. Support is 102.27 to 100.47

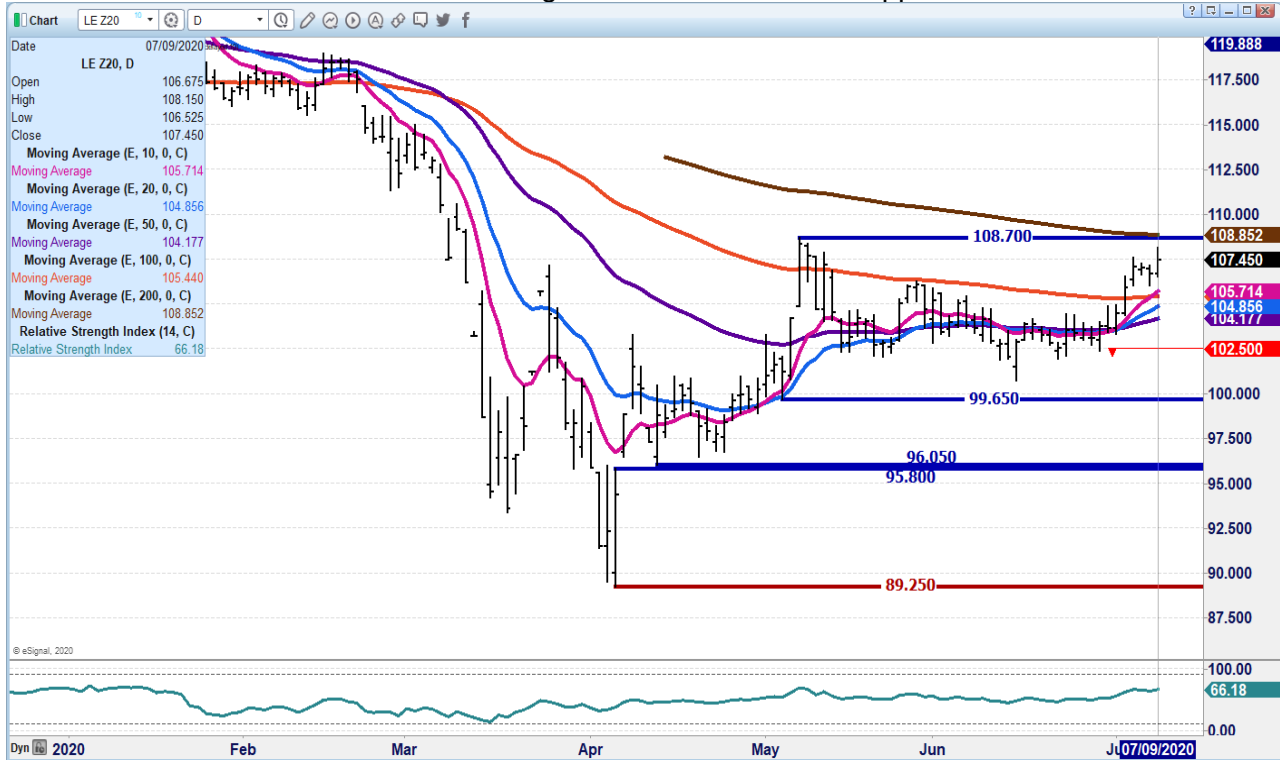


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DECEMBER 2020 LIVE CATTLE – Strong resistance at 105.70 Support at 105.71 to 102.50



Feeder Cattle

THE CME FEEDER INDEX ON 07/08/2020 IS 133.69 UP 3.54 FROM PREVIOUS DAY
AUGUST 2020 FEEDER CATTLE SETTLED AT 134.52 ON JULY 9, 2020.

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BUYING COMING FROM CONTRACT FEEDLOTS NEEDING TO HAVE FED CATTLE
INVENTORY IN MONTHS AHEAD

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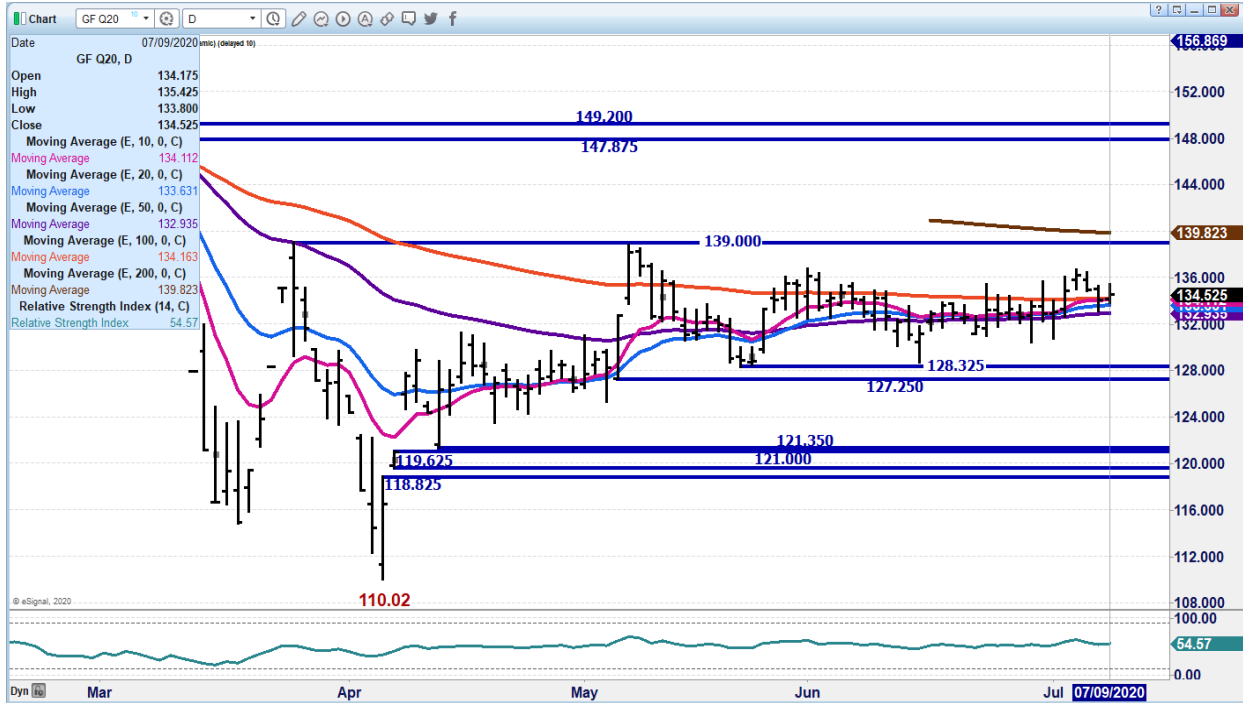
AUGUST 2020 FEEDER CATTLE – CONTINUING SIDEWAYS MOVEMENT RESISTANCE
136.67 TO 139.00 SUPPORT AT 132.90 TO 128.32



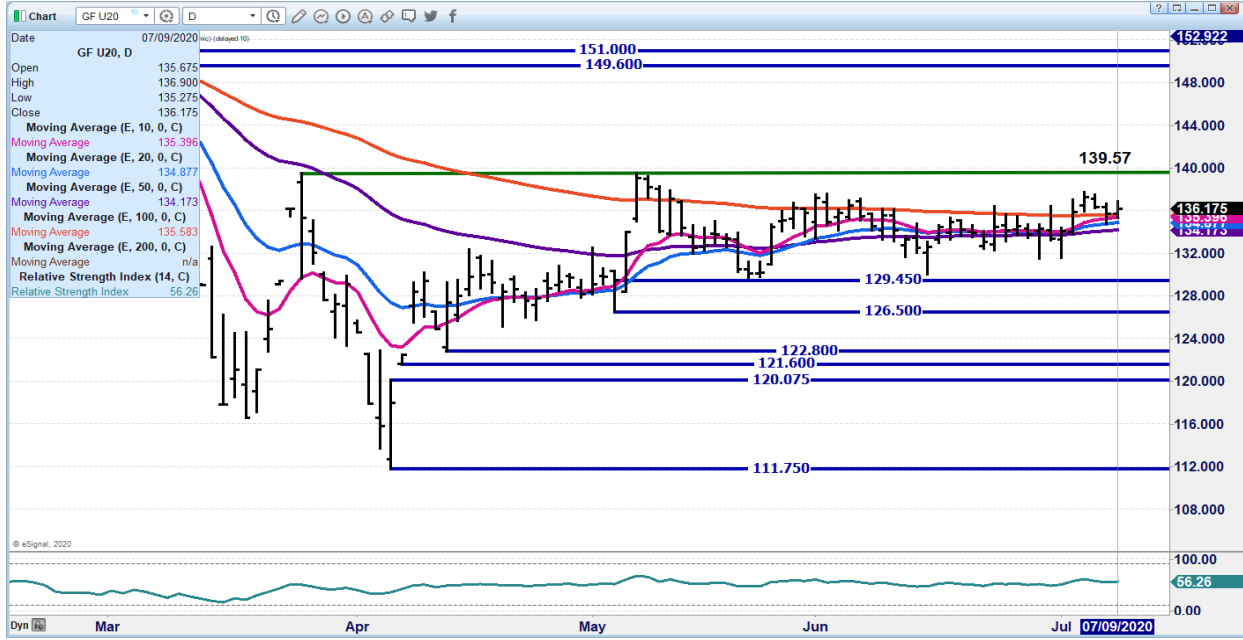
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SEPTEMBER 2020 FEEDER CATTLE - 139.57 RESISTANCE.. SUPPORT 134.17



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JULY 9, 2020	469,000
WEEK AGO	461,000
YEAR AGO	478,000
WEEK TO DATE (EST)	1,857,000
SAME PERIOD LAST WEEK (EST)	1,867,000
SAME PERIOD LAST YEAR (ACT)	1,920,000

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CME CASH HOG INDEX 07/07/2020 AT 45.35 DOWN 55 CENTS FROM PREVIOUS DAY.
 CME CASH PORK CUTOUT INDEX 07/08/2020 AT 64.03 UP 75 CENTS FROM PREVIOUS DAY.
 CME CASH FRESH BACON INDEX ON 07/02/2020 WAS 119.89 COMPARED TO 06/26/2020 WAS 123.78

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On moderate movement the pork carcass was up 4.45 early Thursday but reversed and closed the day down 4 cents. The big change came from the ham and belly prices. In the morning hams were up 16.87 but ended the day only 18 cents higher and bellies ended the day up 1.37 after being up 3.70 early. Loins lost 1.74 for the day. The early surge in ham prices likely due to a processor or shipper caught short on some orders and had to buy the asking price simply to fill the order

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JULY 9, 2020 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 FINAL

LOADS OF PORK CUTS: 317.40
 LOADS TRIM/PROCESSED PORK : 29.67

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
07/09/2020	347.07	67.12	64.90	72.39	38.66	123.31	54.40	103.95
Change :		-0.04	-1.74	-0.57	1.87	-1.94	0.18	1.37
Five Day Average --		65.54	66.99	73.77	42.33	125.57	48.86	96.27

NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

Slaughter Data for JULY 08, 2020

Average carcass weight - 280.32
 Average live weight - 211.58
https://www.ams.usda.gov/mnreports/ams_2511.pdf



**DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM JULY 09, 2020
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**

Carcass Base Price: \$24.00 - \$31.13
 Weighted Average: \$30.02
 Change from Prior Day: 1.09 higher
 HOGS SOLD: 14,692

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)

PRICE RANGE: \$27.86 - \$62.79
 Weighted Average \$44.79 PREVIOUS DAY \$43.47
 HOGS SOLD: 162,421

NATIONAL NEGOTIATED LIVE HOG PURCHASE PRICE

PRICE RANGE: \$22.18 - \$25.00
 Weighted Average: \$24.09
 Change from Prior Day: 0.50 lower
 Hogs sold: 576

https://www.ams.usda.gov/mnreports/lm_hg203.txt

JULY 2020 LEAN HOGS – Finally filled gap at up to 46.02 A close over 48.32 would be friendly. Next week July goes off the board

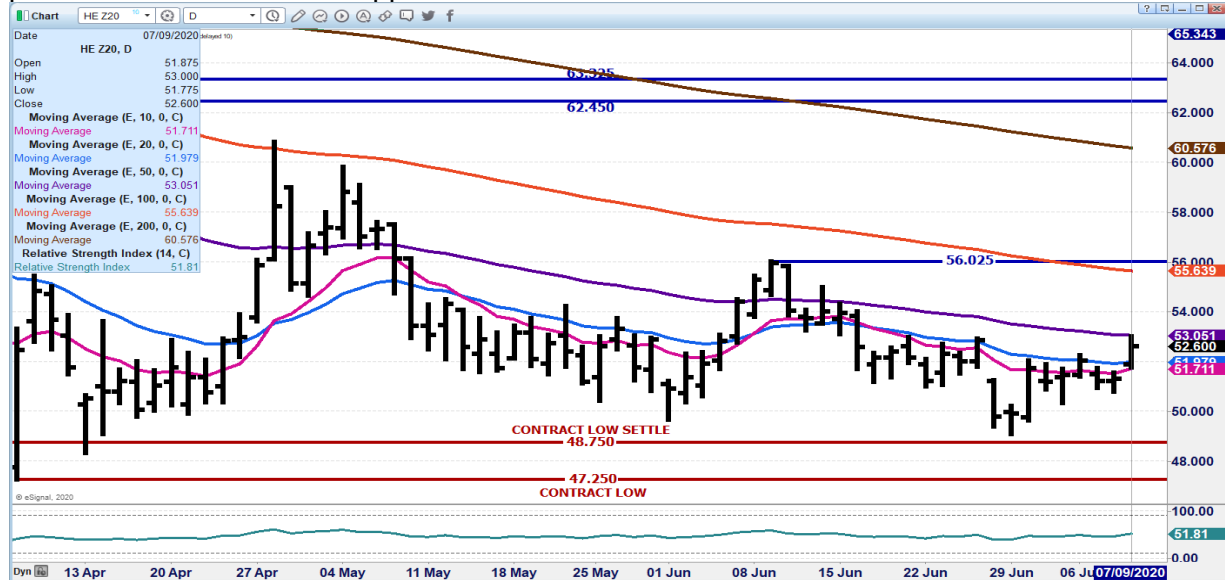




AUGUST 2020 LEAN HOGS – Finally filled a gap and moved to 20 day resistance. Resistance Friday is 51.17 Support is 47.52



DECEMBER 2020 LEAN HOGS %0 day stopped up move Thursday. A close over it, 53.10 puts resistance at 55.75 Support are contract lows



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