



Morning July 16, 2020 Livestock Report

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CATTLE

USDA FEDERAL SLAUGHTER

JULY 15, 2020	119,000
WEEK AGO	120,000
YEAR AGO	122,000
WEEK TO DATE (EST)	353,000
SAME PERIOD LAST WEEK (EST)	354,000
SAME PERIOD LAST YEAR (ACT)	364,000

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	CHOICE	SELECT
BOXED BEEF FINAL	200.76	191.37
CHANGE FROM PRIOR DAY	(0.16)	0.52
CHOICE/SELECT SPREAD:		9.39
TOTAL LOAD COUNT		151
5 DAY SIMPLE AVERAGE:	203.22	193.47

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FINAL JULY 15, 2020	CHOICE	SELECT
Primal Rib	326.29	308.83
Primal Chuck	161.08	159.47
Primal Round	167.18	165.68
Primal Loin	270.72	241.92
Primal Brisket	161.72	151.63
Primal Short Plate	127.13	127.13
Primal Flank	117.87	118.79

FINAL JULY 14, 2020	CHOICE	SELECT
Primal Rib	326.68	306.93
Primal Chuck	164.11	158.42
Primal Round	165.19	165.28
Primal Loin	269.77	240.26
Primal Brisket	160.37	161.82
Primal Short Plate	126.25	126.25
Primal Flank	117.80	119.22

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LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
07/14	69	35	15	28	147	200.92	190.85
07/13	61	32	14	11	119	203.26	191.88
07/10	45	23	8	17	93	204.50	194.29
07/09	76	33	31	23	163	203.59	194.83
07/08	94	37	22	24	178	203.83	195.52

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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	89.16 loads	3,566,224 pounds
Select Cuts	34.65 loads	1,385,846 pounds
Trimmings	9.55 loads	382,102 pounds
Ground Beef	17.20 loads	687,822 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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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

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BEEF AND PORK EXPORT HIGHLIGHTS FOR WEEKENDING JULY 9, 2020 AT BOTTOM OF REPORT

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Good exports with South Korea finally coming back to the US. Exports. Exports likely up with slow down of exports over last month as packers having big problems with Coronavirus. If exports could sustain 25,000 each week it would be positive.

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August 2020 Live cattle did not settle up the limit. August settled at \$101.30, up \$2.50

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Cattle futures on Wednesday moved to resistance and on what used to be the post where floor traders had time after the settlement to match up all buys and sells, traders, algorithms, pushed prices up with August touching \$3.00 higher. August did not settle up the limit. August Live Cattle settled at 101.30, up \$2.50. On the post, traders gave cattle a strong push higher and then quickly took a fast profit. Wednesday's trade volume was less than Tuesday when cattle were down.

It is beginning to appear since the CME changed when morning bids and offers are allowed to be entered from 8:00AM central time , spec traders have found their play time on the post.

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 Fundamentals didn't change Wednesday. Actually, there were cattle in Kansas selling at \$94.00, \$1.00 lower. Beef sellers are trying to hold Choice above \$200. As I have reported countless times, cattle futures are in a month, July, that isn't a spot month. Specs rule the roost. It has been obvious at recent levels there has been little hedging so without hedge sell pressure, specs have ownership. Tuesday they were sellers and Wednesday buyers Specs have over the past two days reversed spreads and have narrowed wide spreads. Spreads are wide but the narrowing is bringing the spreads back to what would be considered fairly normal.

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 The Fed Cattle Exchange had 1,224 cattle listed for 10:00AM Internet sale. 275 sold, 3 lots all from Kansas. Cattle were offered from \$95.00 to \$98.00. One group of steers averaging 1425 pounds sold for \$95.50 and tow lots of heifers both averaging 1350 pounds sold for \$95.75.

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 USDA POSTED CATTLE PRICES ON 7/15/2020
 IA/MN –CASH 99.00 - 100.00 DRESSED; 157.00 - 160.00
 NE - CASH – 95.00 - 97.50 DRESSED 152.00 - 160.00
 KS – CASH - 94.00 – 97.00 DRESSED: 157.00
 TX/OK/NM – CASH: 95.00
 COLORADO – CASH 96.00

National Daily Direct Cattle July 15, 2020
 (5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1440	\$96.46	42,542
Live Heifer:	1308	\$95.63	18,579
Dressed Steer:	912	\$157.23	20,212
Dressed Heifer:	841	\$157.17	4,591

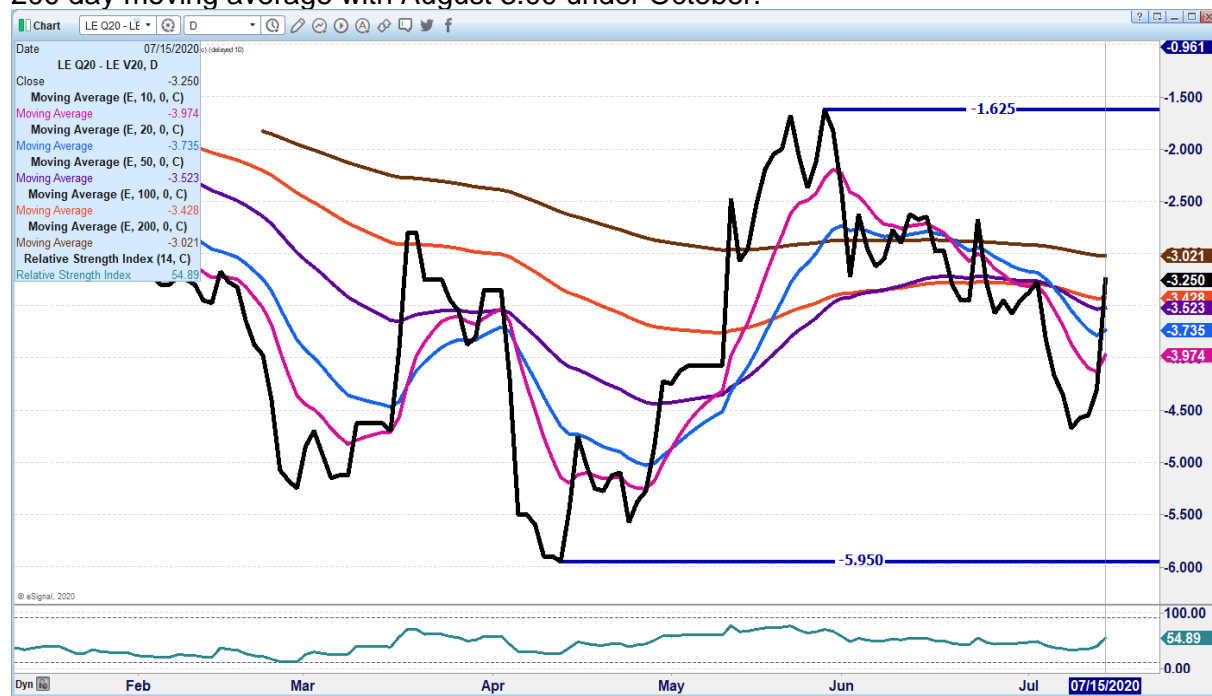


As of July 14th Dressed weights were 875.4 compared to previous week at 874.1 and 34 pounds above 2019 at this time. Grading percent was 82.7% compared to previous week at 82.4%.

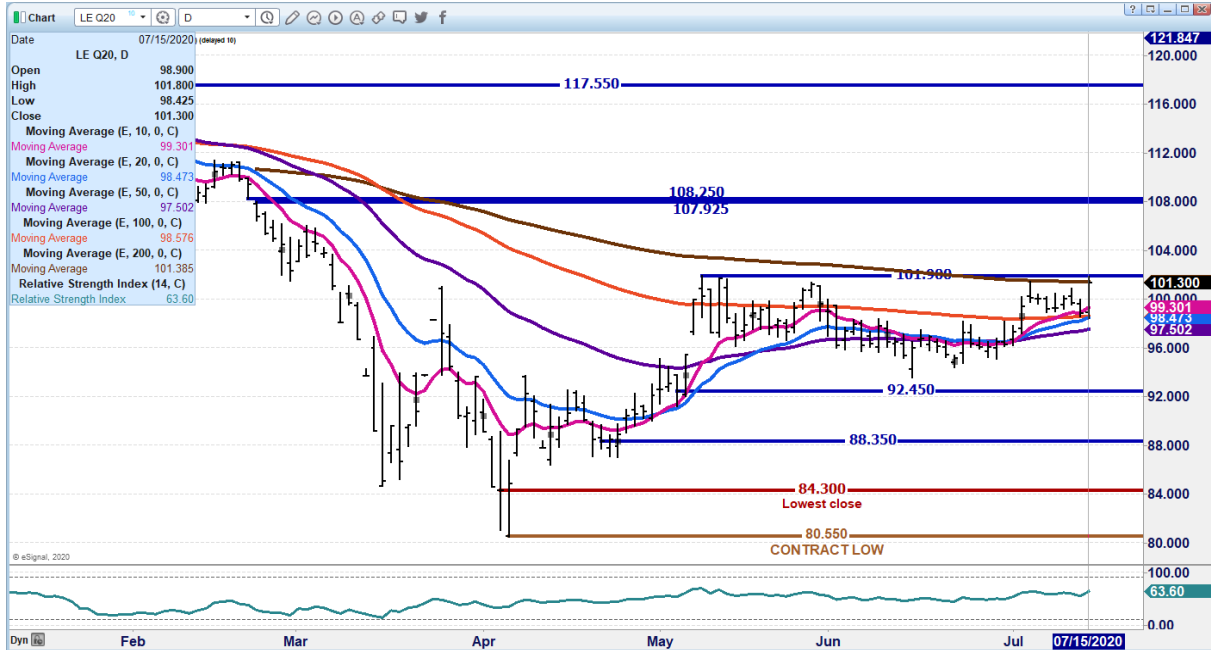
From last month weights have been slowly working down. The high and constant temperatures is one reason. Another reason, packers have been working through cattle that were backed up. Big Saturday kills certainly are helping. The daily slaughter has been off from 1% to 2.5% compared to 2019. Packers make up the lighter week day kill on Saturday.

CHARTS ARE UPDATED ON MORNING REPORTS –

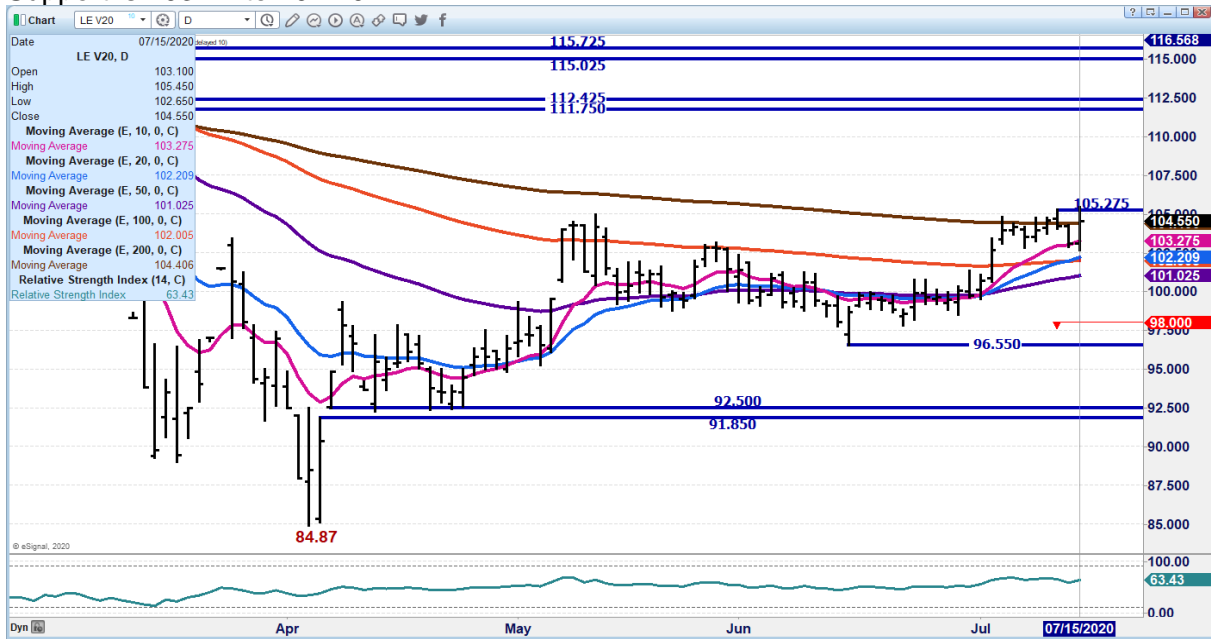
AUGUST 2020 LIVE CATTLE/OCTOBER 2020 LIVE CATTLE - Look for spread to move to 200 day moving average with August 3.00 under October.



AUGUST 2020 LIVE CATTLE – Resistance was Wednesday morning 101.40 to 101.90 and remain resistance Thursday. A close above 102.37 could move trade to fill gap at 107.92 to 108.25. Support 99.30 to 97.50 Volume Wednesday 28483



OCTOBER 2020 LIVE CATTLE – Resistance was Wednesday morning 104.40 to 105.27. It remains resistance on Thursday. A close above 106.37 puts next resistance at 111.75 to 112.42. Support is 103.27 to 101.20.

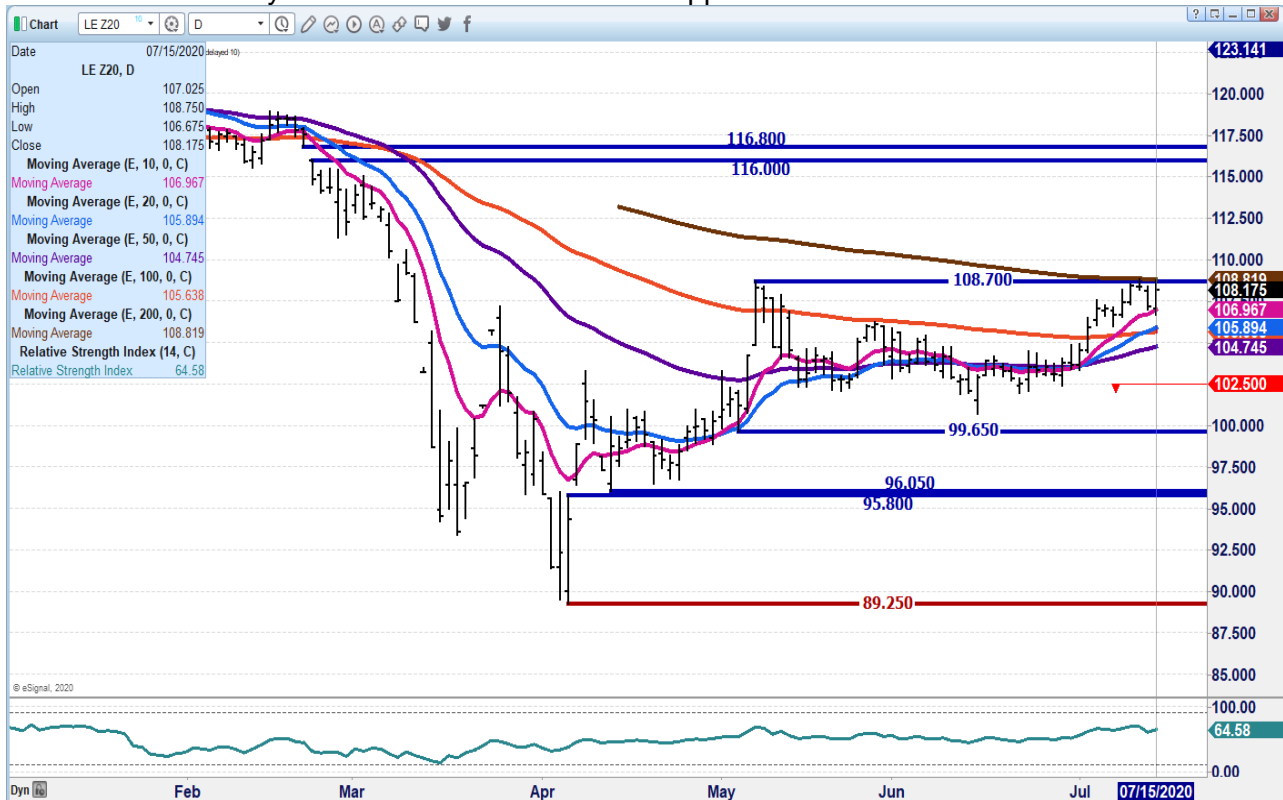


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DECEMBER 2020 LIVE CATTLE – Strong resistance was Wednesday morning 108.75 and remains on Thursday. Next resistance is 110.47 Support 106.97 to 104.75



Feeder Cattle

THE CME FEEDER INDEX ON 07/14/2020 IS 135.91 UP 29 CENTS FROM PREVIOUS DAY - AUGUST 2020 FEEDER CATTLE SETTLED AT 139.42 ON JULY 15, 2020.

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LIVESTOCK WEIGHTED AVERAGE REPORT FOR 7/13/2020 OKLAHOMA CITY STOCKYARDS

	THIS WEEK	LAST WEEK	LAST YEAR
TOTAL RECEIPTS:	8,000	4,446	7,938

COMPARED TO LAST WEEK: FEEDER STEERS STEADY TO 5.00 HIGHER, LARGEST ADVANCE UNDER 850 LBS. STEER CALVES STEADY TO 3.00 HIGHER, 5 WEIGHTS UP

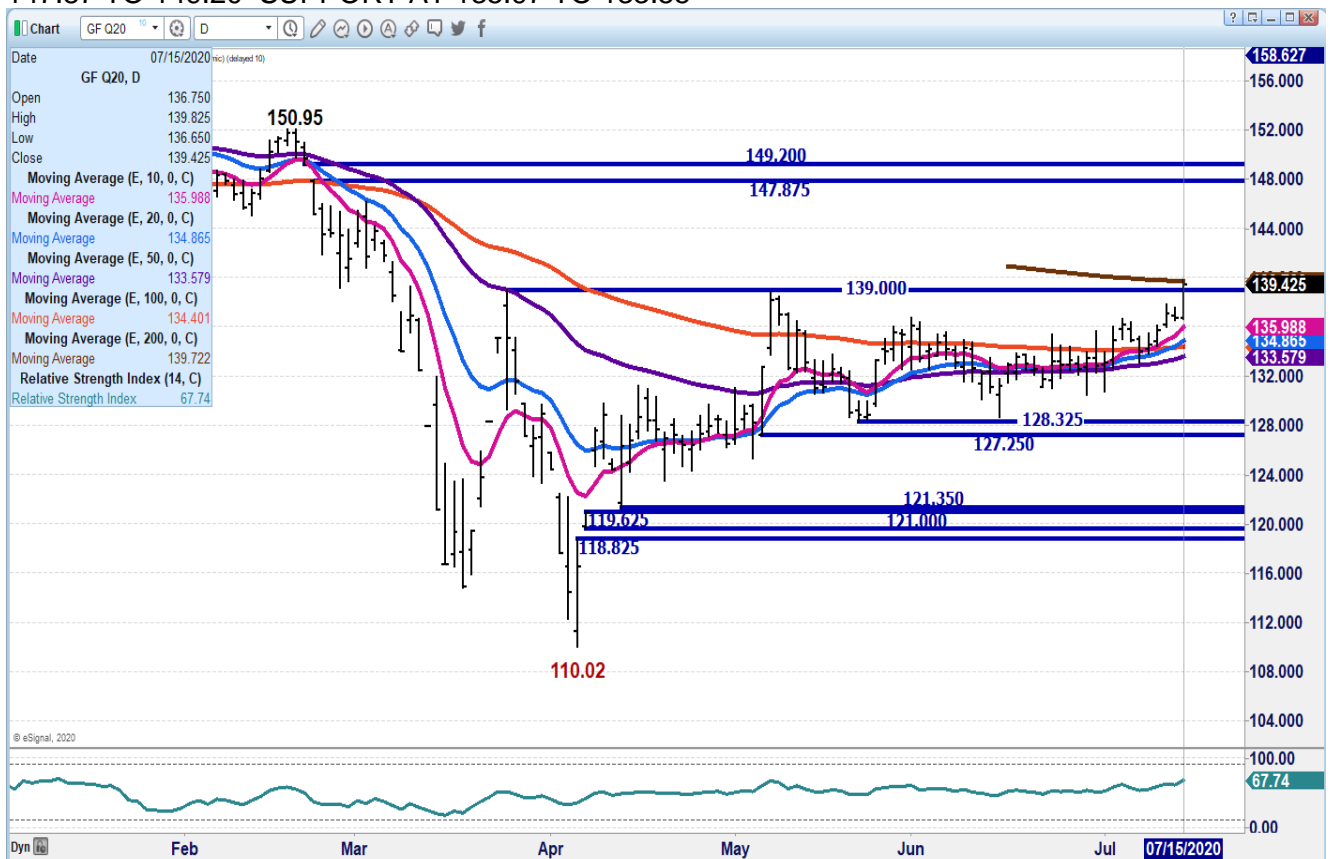
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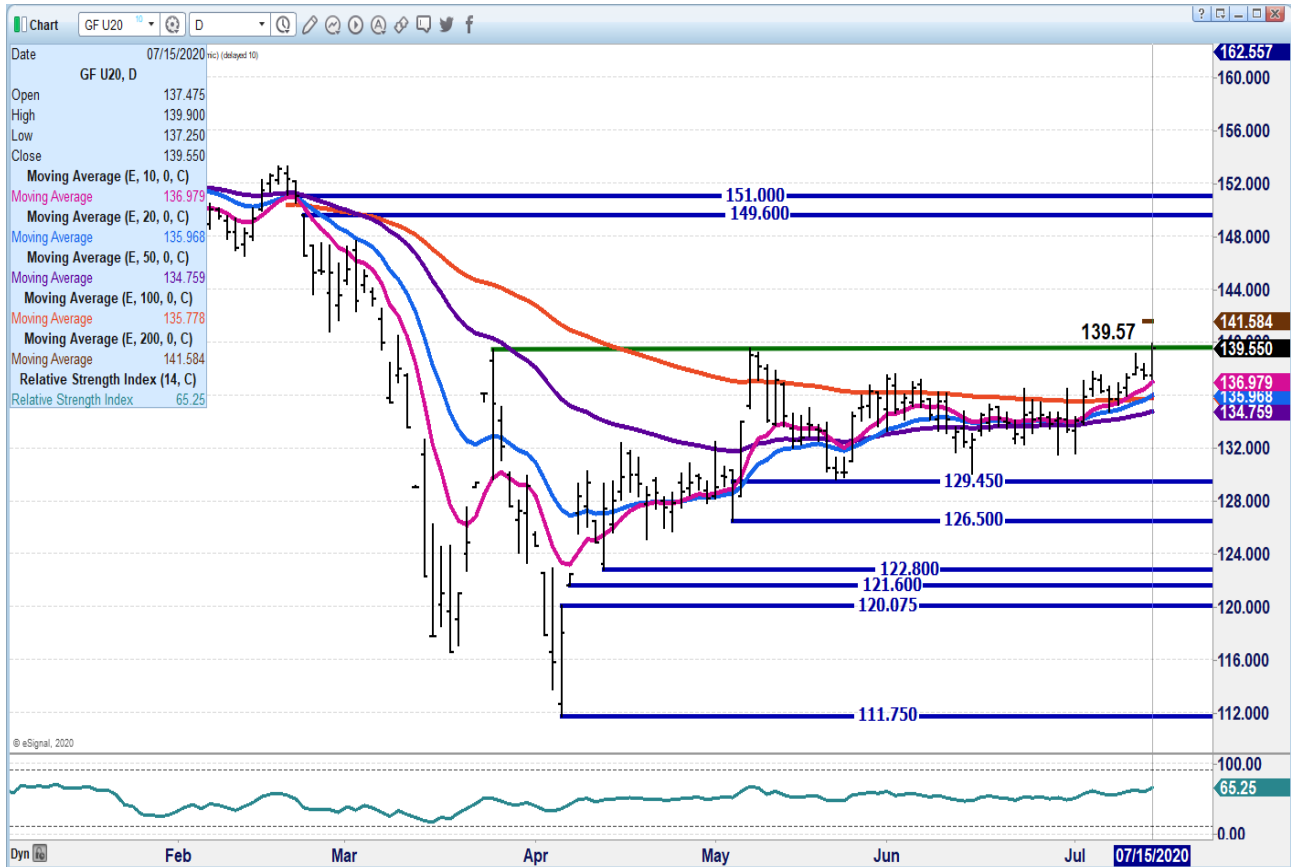
TO 8.00 HIGHER. FEEDER HEIFERS AND HEIFER CALVES 2.00-5.00 HIGHER. DEMAND VERY GOOD FOR ALL CLASSES

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AUGUST 2020 FEEDER CATTLE – RESISTANCE WAS WEDNESDAY MORNING 139.72 AND THAT IS WHERE THEY TOPPED. A CLOSE ABOVE 140.37 COULD MOVE UP TO 147.87 TO 149.20 SUPPORT AT 135.97 TO 133.55



SEPTEMBER 2020 FEEDER CATTLE - RESISTANCE WEDNESDAY MORNING 139.57. NEXT RESISTANCE AT 141.52 SUPPORT AT 136.97 TO 134.72



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JULY 15, 2020	470,000
WEEK AGO	467,000
YEAR AGO	463,000
WEEK TO DATE (EST)	1,393,000
SAME PERIOD LAST WEEK (EST)	1,388,000
SAME PERIOD LAST YEAR (ACT)	1,347,000

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CME CASH HOG INDEX 07/13/2020 AT 46.05 UP 42 CENTS FROM PREVIOUS DAY.

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CME CASH PORK CUTOUT INDEX 07/14/2020 AT 67.31 UP 93 CENTS FROM PREVIOUS DAY. CME CASH FRESH BACON INDEX ON 07/09/2020 WAS 123.87 COMPARED TO 07/02/2020 WAS 119.89

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JULY 2020 LEAN HOGS CLOSED ON WEDNESDAY AND WENT OFF THE BOARD AT 47.32

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Pork cutout jumped up 5.76 early Wednesday with hams up 9.98 and bellies up 25.10. Loins were down 3.69. Why would hams and loins move up as much as they did Wednesday? Selling whole and half carcasses has been the majority of movement but if a buyer or buyer needs individual primal cuts, the seller needs to break down the carcass. Breaking down the carcass now means a buyer has to make up the labor and the seller needs the difference of other primals such as loins and today ribs. Don't be surprised by the afternoon cutout that hams and bellies sell off of the up move in the morning unless they are going through a long term reversal. Pork is cheap compared to beef and compared to chicken parts broken down at the retail level.

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Exports were strong with Mexico the biggest buyer which is not a surprise with hams and fresh bellies moving up. Mexico has for years been one of the best buyers of hams and bellies where they are trimmed out. China is buying but far from the large loads it took the first quarter.

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China the first half of the year has booked in excess pork exports and has filled storage. Prices for hogs have been dropping in China. It is likely China has secured the storage they wanted to build since plans went into effect early 2019. The Chinese ag minister has said several times they will support the Brazilian cattle and hog markets. Why wouldn't they support it? They have been big investors into the livestock industry and infrastructure in Brazil.

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JULY 15, 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: 287.38
LOADS TRIM/PROCESSED PORK : 34.95

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
07/15/2020	322.33	68.95	62.64	70.65	45.98	113.28	65.32	102.30
CHANGE :		2.71	-1.82	-1.61	2.53	-3.60	12.66	1.76



Five Day Average -- 67.76 64.82 72.74 43.22 116.76 58.30 101.38

NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE
Slaughter Data for JULY 14, 2020

Average carcass weight - 279.06
Average live weight - 210.19

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

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DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM JULY 15, 2020
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES
Carcass Base Price: \$28.00 - \$35.00
Weighted Average: \$31.40
Change from Prior Day: 0.38 higher
HOGS SOLD: 8,743

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)
PRICE RANGE: \$29.22 - \$63.52
Weighted Average \$45.72 PREVIOUS DAY \$46.44
HOGS SOLD: 162,004

NATIONAL NEGOTIATED LIVE HOG PURCHASE PRICE
PRICE RANGE: \$22.50 - \$26.90
Weighted Average: \$25.34
Change from Prior Day: 0.45 lower
Hogs sold: 623

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

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JULY 2020 LEAN HOGS – Closed out trading at 47.32

AUGUST 2020 LEAN HOGS – Fell to support at 10 day average at 50.02 Next support at 47.52 Resistance at 51.27 to 54.32



Daily Futures Market Commentary



OCTOBER 2020 LEAN HOGS - SUPPORT AT 47.00 TO 46.47 Resistance at 51.85



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DECEMBER 2020 LEAN HOGS – Resistance at 51.35 to 52.82 Support contract lows.



CHARTS FROM ESIGNAL INTERACTIVE, INC.

EXPORT HIGHLIGHTS FOR WEEK ENDING JULY 9, 2020

Beef: Net sales of 27,800 MT reported for 2020 were up noticeably from the previous week and up 68 percent from the prior 4-week average. Increases were primarily for South Korea (7,900 MT, including decreases of 400 MT), Japan (6,300 MT, including decreases of 400 MT), Mexico (3,600 MT, including decreases of 100 MT), Taiwan (2,500 MT, including decreases of 100 MT), and Canada (2,000 MT, including decreases of 200 MT). Exports of 15,500 MT were up 3 percent from the previous week and 9 percent from the prior 4-week average. The destinations were primarily to Japan (5,200 MT), South Korea (5,100 MT), Taiwan (1,200 MT), Canada (1,000 MT), and Mexico (800 MT).



Pork: Net sales of 38,500 MT reported for 2020 were up 22 percent from the previous week and 16 percent from the prior 4-week average. Increases were primarily for Mexico (10,100 MT, including decreases of 400 MT), China (8,000 MT, including decreases of 800 MT), Canada (5,700 MT, including decreases of 400 MT), Japan (3,700 MT, including decreases of 300 MT), and South Korea (3,300 MT, including decreases of 300 MT). Exports of 29,300 MT were down 13 percent from the previous week and 8 percent from the prior 4-week average. The destinations were primarily to China (12,300 MT), Mexico (7,600 MT), Japan (2,700 MT, including 100 MT late – see below), Canada (2,100 MT), and South Korea (1,600 MT).

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