



Morning July 22, 2020 Livestock Report

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CATTLE

USDA FEDERAL SLAUGHTER

JULY 21, 2020	118,000
WEEK AGO	119,000
YEAR AGO	121,000
WEEK TO DATE (EST)	235,000
SAME PERIOD LAST WEEK (EST)	234,000
SAME PERIOD LAST YEAR (ACT)	236,000

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	CHOICE	SELECT
BOXED BEEF NOON	200.88	191.30
CHANGE FROM PRIOR DAY	(0.86)	(0.29)
CHOICE/SELECT SPREAD:		9.58
TOTAL LOAD COUNT		159
5 DAY SIMPLE AVERAGE:	200.94	191.08

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NOON JULY 21, 2020	CHOICE	SELECT
Primal Rib	328.69	297.48
Primal Chuck	162.02	157.91
Primal Round	166.43	166.87
Primal Loin	268.64	245.87
Primal Brisket	156.37	156.65
Primal Short Plate	133.31	133.31
Primal Flank	117.92	115.57

FINAL JULY 20, 2020	CHOICE	SELECT
Primal Rib	328.24	291.20
Primal Chuck	165.31	159.14
Primal Round	166.11	165.73
Primal Loin	269.05	251.86
Primal Brisket	160.40	154.76
Primal Short Plate	130.17	130.17
Primal Flank	116.34	113.85

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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
07/20	70	20	7	13	110	201.74	191.59
07/17	72	19	42	11	144	200.47	190.31
07/16	103	28	12	30	172	200.80	191.30
07/15	89	35	10	17	151	200.76	191.37
07/14	69	35	15	28	147	200.92	190.85
07/13	61	32	14	11	119	203.26	191.88

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	90.18 loads	3,607,184 pounds
Select Cuts	22.01 loads	880,248 pounds
Trimmings	11.19 loads	447,446 pounds
Ground Beef	35.96 loads	1,438,440 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)

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

Choice boxed beef dropped Tuesday with Chucks dragging cutout lower. Choice Rounds were up but are trading under Select Rounds. Choice briskets are less than Select briskets. Grind a cut up for hamburger, a seller doesn't need Choice. There is enough cheap fat on a carcass to blend so there is no reason to pay up for Choice. Beef market is being moved by ground beef and trimmings markets and that is not a positive indicator.

On the friendly side of the coin, last week the year to date slaughter was .3% more than a year ago. It is likely packers have been able to work through most of the backed up cattle using big Saturday kills to push more cattle through the plants. A few cattle in the Southwest are where it is believed cattle still need to be killed

The Fed Cattle Exchange has 1,022 head for sale at 10:00AM central time Internet sales. Sale numbers are down over from when contract cattle in the spring were on the sale.



It doesn't look like feedlots will be able to push packers to pay more this week. Tuesday there were cattle sold in Iowa and Nebraska, but Texas/Oklahoma and Kansas sold several thousand head on Tuesday from \$94.00 to \$96.00. North and Midwest producers holding out for \$100.

With packer profits at \$300, they want to kill cattle, but they aren't banging on doors to buy them. If Choice boxed beef breaks \$200, packers will try to buy cattle lower. However beef movement has been getting lighter and it is doubtful packers are storing but more likely selling forward. This is positive. Beef buyers may be building supplies ahead of possible slow down.

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 Brazil and Argentina have plants that China has stopped taking exports. Both countries will need to sell beef and pork to other countries. But exporters may be coming to US Last week beef exports stronger than usual.

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 USDA POSTED CATTLE PRICES ON 7/21/2020
 IA/MN – CASH 97.00 – 99.00 DRESSED; 157.00
 NE - CASH – NO CASH DRESSED 157.00 ON 125 HEAD
 KS – CASH - 94.00 - 96.00 DRESSED: NO SALES
 TX/OK/NM – CASH: 95.00 - 96.00
 COLORADO – 96.00 on 243 head

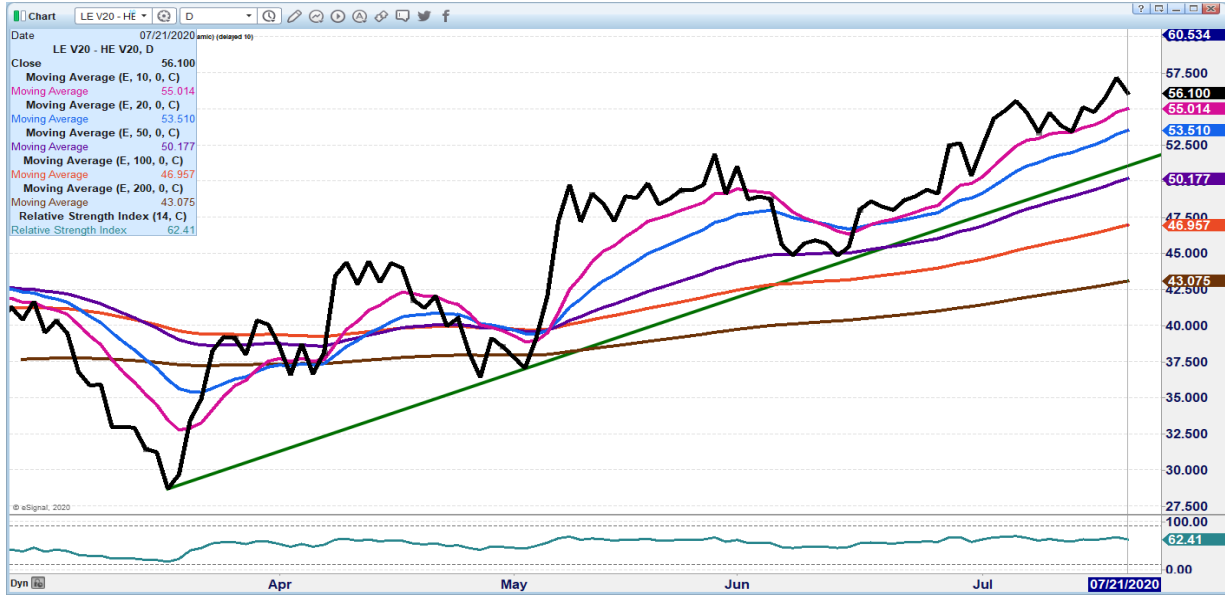
National Daily Direct Cattle July 21, 2020
 (5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1429	\$96.35	39,018
Live Heifer:	1319	\$95.80	12,392
Dressed Steer:	924	\$157.14	8,282
Dressed Heifer:	824	\$157.12	1,621

As of July 21st Dressed weights were 878.7 compared to previous week at 875.. Grading percent was 83.1% compared to previous week at 82.7%.

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CHARTS ARE UPDATED ON MORNING REPORTS –

OCTOBER 2020 LIVE CATTLE/OCTOBER 2020 LEAN HOGS – Slight reversal Tuesday. Buy at 55.00 with SCO 53.37



AUGUST 2020 LIVE CATTLE/OCTOBER 2020 LIVE CATTLE - Spread widening is not friendly. Packers seem to find enough cattle for current and August.





AUGUST 2020 LIVE CATTLE – Fell to first support at 10 day average. Next support is 98.17
Resistance is 103.77 to 107.92 to 108.25 gap



OCTOBER 2020 LIVE CATTLE – Volume was light at 16,180 contracts Tuesday. Resistance is 107.25 to 111.75 Support 104.55 to 101.80





Feeder Cattle

THE CME FEEDER INDEX ON 07/20/2020 IS 136.48 UP 17 CENTS FROM PREVIOUS DAY -

AUGUST 2020 FEEDER CATTLE SETTLED AT 141.32 ON JULY 21, 2020.

CASH TO CME INDEX IS 4.84 FUTURES OVER THE INDEX

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OKLAHOMA NATIONAL STOCKYARDS FEEDER CATTLE - OKLAHOMA CITY, OK MONDAY
JULY 20, 2020

THIS WEEK LAST REPORTED LAST YEAR

7/13/2020

TOTAL RECEIPTS: 7,584 8,234 6,039

COMPARED TO LAST WEEK: FEEDER STEERS SOLD STEADY TO 3.00 HIGHER. FEEDER HEIFERS MOSTLY 1.00-6.00 HIGHER. STEER CALVES TRADED UNEVENLY STEADY ON VERY LIMITED COMPARABLE RECEIPTS. HEIFER CALVES SOLD 2.00-8.00 HIGHER ON A VERY LIGHT TEST. DEMAND GOOD TO VERY GOOD.

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FEEDER CATTLE ARE IN DEMAND. CONTRACT FEEDERS AND PACKERS THAT FEED THEIR OWN CATTLE NEED CATTLE TO FULFILL BEEF NEEDS THAT WAS CONTRACTED MONTHS AGO AND FOR MONTHS AHEAD FROM NOW.

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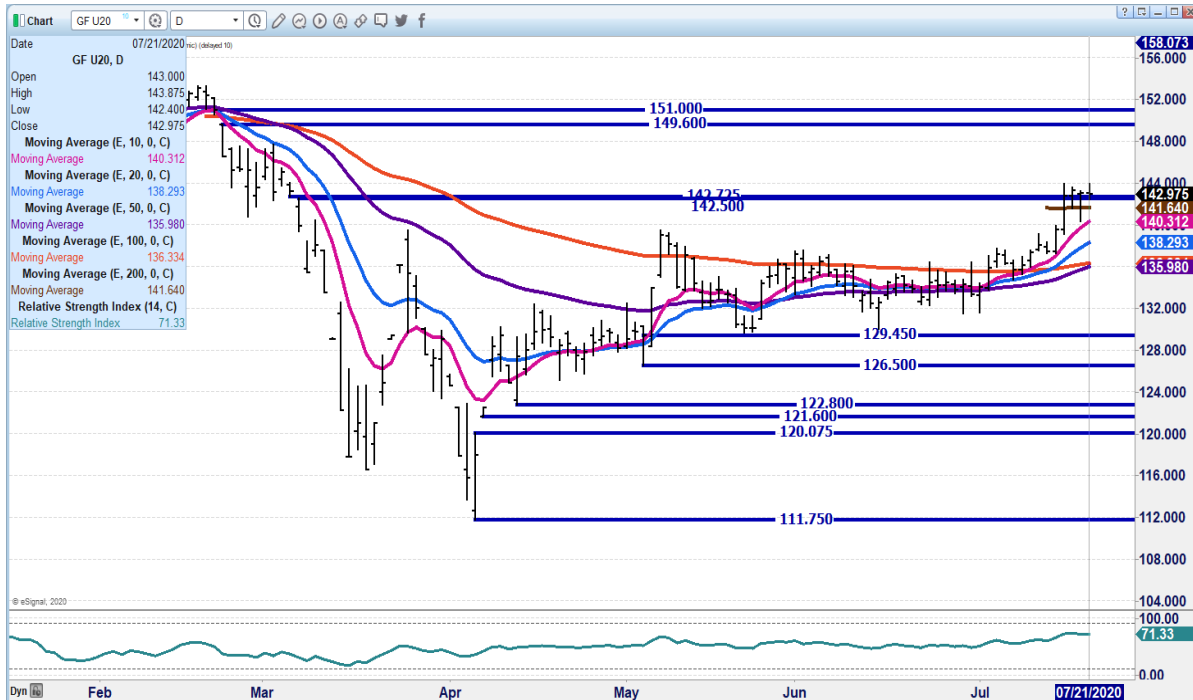
AUGUST 2020 FEEDER CATTLE – SUPPORT AT 139.27 RESISTANCE AT 143.82
STRONG SUPPORT AT 134.80



Daily Futures Market Commentary



SEPTEMBER 2020 FEEDER - RESISTANCE IS 144.07 SUPPORT AT 140.35



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JULY 21, 2020	477,000
WEEK AGO	448,000
YEAR AGO	471,000
WEEK TO DATE (EST)	923,000
SAME PERIOD LAST WEEK (EST)	921,000
SAME PERIOD LAST YEAR (ACT)	884,000

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CME CASH HOG INDEX 07/17/2020 AT 47.90 UP 35 CENTS FROM PREVIOUS DAY.
 CME CASH PORK CUTOUT INDEX 07/20/2020 AT 68.37 UP 15 CENTS FROM PREVIOUS DAY.
 CME CASH FRESH BACON INDEX ON 07/17/2020 WAS 132.05 COMPARED TO 07/09/2020 WAS 123.87

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Moderate movement of pork for Tuesday. Loins up 2.30 and hams jumped 11.05 early in the day and settled up 8.10. Every primal cut higher. Ham strength is likely due to continued buying from Mexico,

Yesterday hog weights dropped to 277.47 live and 208.49 carcass weight. Of course a drop of 4.3 pounds on live weight for one day may be due to a few reasons such as the extreme temperatures over the past week or needing to move extra loads of light hogs because more hogs need to come to the grower buildings, but it does need to be watched. It could mean packers are pulling hogs up. Packers are making big money and want to keep profits going.

Also, last week's exports were strong at 38,500 metric tonnes. As mentioned, Mexico has been a consistent strong buyer in 2020 and China the first quarter of 2020 lived up to Phase One at least in pork. China has stopped several S.A. plants from exporting and just may be needing it's old US pork friends.

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JULY 21, 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: 330.83
 LOADS TRIM/PROCESSED PORK : 46.73



Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
07/21/2020	377.57	72.23	70.31	71.19	48.09	111.00	70.58	101.44
CHANGE :		3.79	2.30	2.95	5.51	0.18	8.10	0.58
Five Day Average --		69.63	67.87	69.52	44.74	112.11	65.84	99.92

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NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE
Slaughter Data for JULY 17 20, 2020

Average carcass weight - 277.47
 Average live weight - 208.49
https://www.ams.usda.gov/mnreports/ams_2511.pdf

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DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM JULY 21, 2020
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES
 Carcass Base Price: \$28.50 - \$36.00
 Weighted Average: \$33.60
 Change from Prior Day: 1.94 higher
 HOGS SOLD: 12,852

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)
 PRICE RANGE: \$30.74 - \$64.85
 Weighted Average \$48.01 PREVIOUS DAY \$48.451
 HOGS SOLD: 145,322

NATIONAL NEGOTIATED LIVE HOG PURCHASE PRICE
 PRICE RANGE: \$24.00 - \$27.75
 Weighted Average: \$26.73
 Change from Prior Day: 0.70 higher
 Hogs sold: 463

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

AUGUST 2020 LEAN HOGS – Support 49.75 Resistance is 53.97 CME Index to August futures is 3.57, fairly normal at this time



**OCTOBER 2020 LEAN HOGS - Resistance is Tuesday high high at 50.35 to 51.65
 Support 49.00 to 47.00 Volume very light at 12,432**



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DECEMBER 2020 LEAN HOGS – Resistance is 51.85 to 52.65 Support 50.82



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