



Morning July 24, 2020 Livestock Report

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CATTLE

USDA FEDERAL SLAUGHTER

JULY 23, 2020	120,000
WEEK AGO	117,000
YEAR AGO	122,000
WEEK TO DATE (EST)	472,000
SAME PERIOD LAST WEEK (EST)	470,000
SAME PERIOD LAST YEAR (ACT)	480,000

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	CHOICE	SELECT
BOXED BEEF NOON	202.26	190.79
CHANGE FROM PRIOR DAY	1.11	1.51
CHOICE/SELECT SPREAD:		11.47
TOTAL LOAD COUNT		123
5 DAY SIMPLE AVERAGE:	201.01	190.76

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FINAL JULY 23, 2020	CHOICE	SELECT
Primal Rib	329.89	285.11
Primal Chuck	161.61	161.98
Primal Round	167.46	166.48
Primal Loin	274.26	246.37
Primal Brisket	154.44	149.10
Primal Short Plate	133.95	133.95
Primal Flank	117.74	115.85

FINAL JULY 22, 2020	CHOICE	SELECT
Primal Rib	331.85	285.55
Primal Chuck	159.94	158.10
Primal Round	166.66	166.38
Primal Loin	270.81	243.78
Primal Brisket	155.80	152.95
Primal Short Plate	133.31	133.31
Primal Flank	119.13	116.42



LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
07/22	58	30	6	31	124	201.15	189.28
07/21	90	22	11	36	159	200.88	191.30
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

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	74.06 loads	2,962,572 pounds
Select Cuts	18.79 loads	751,544 pounds
Trimmings	9.33 loads	373,183 pounds
Ground Beef	20.86 loads	834,594 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
CATTLE ON FEED REPORT – FRIDAY, JULY 24, 2020 2:00PM US CENTRAL TIME

Estimates for the U.S. Department of Agriculture's monthly Cattle on Feed report due on Friday 7/24/2020 at 2 p.m. CDT

	Range	Average	Mln head
On feed July 1	99.1-100.7	100.0	11.480
Placements in June	100.1-107.9	103.8	1.815
Marketings in June	98.8-103.1	101.0	1.962



Cattle On Feed July 1	June Place-ments	June Mar-ketings	
Allendale	99.3	102.8	103.1
Allegiant Com-mmodity Group	100.0	103.7	100.9
HedgersEdge	99.7	103.6	102.2
KIS Futures, Jus-tin Lewis	100.0	104.0	101.0
Linn Group	100.2	102.9	98.8
Livestock Mktg Info Center	100.2	104.9	100.7
MBS Research, Mike Sands	100.0	103.0	101.0
New Frontier Capi-tal Markets	99.1	100.1	101.6
Steiner Consulting	100.3	105.5	100.8
Texas A&M AgriLife Extension	100.7	107.9	100.7
U.S. Commodities	100.0	103.5	100.0

USDA RELEASED A 20 PAGE REPORT ON THE TRADING THAT HAPPENED AFTER THE AUGUST 12, 2019 FIRE IN HOLCOMB KS AT THE TYSON PLANT AND THE MARKET MOVEMENT WITH THE COVID-19 PANDEMIC TRADING. THE REPORT CONCLUDED THERE WAS NO INAPPROPRIATE TRADING

<https://www.ams.usda.gov/reports/boxed-beef-and-fed-cattle-price-spread-investigation-report>

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 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 had 1,022 head for sale at the Wednesday Internet sales. 422 head sold from 96.00 to 96.25. Cattle offered at 96.50 to 97.00 were passed over.

Packers firmed up prices on Thursday from 50 cents to \$1.00. Look for big Saturday kill. Live cattle steer weights have increased on 5 day average by 16 pounds. Packers want to kill cattle. Beef movement was light on Thursday with only 123 loads shown on daily cutout. Just a month ago moving 200 plus loads day after day. More than likely beef is being heavily forward contracted into fall.

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.

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.

USDA POSTED CATTLE PRICES ON 7/23/2020
 IA/MN – CASH 97.00 – 101.00 DRESSED; 157.00 - 158.50
 NE - CASH – 98.00 DRESSED 158.00 – 158.50
 KS – CASH - 96.00 – 96.75 DRESSED: NO SALES
 TX/OK/NM – CASH: 96.00
 COLORADO – NO DIRECT SALES

National Daily Direct Cattle July 23, 2020
 (5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1451	\$97.20	39,185
Live Heifer:	1308	\$96.68	19,476
Dressed Steer:	924	\$158.02	23,660
Dressed Heifer:	842	\$157.78	3,980

As of July 21st Dressed weights were 878.7 compared to previous week at 875. This is 38 pounds over the same period last year. Grading percent was 83.1% compared to previous week at 82.7%.

Another way to look at the extra weight of 38 pounds on a 650,000 head weekly slaughter, it adds 24,700,000 pounds a beef. On an average 1400 pound steer it would be adding about 17,650 steers compared to a year ago. When a majority of the carcass is getting ground or put

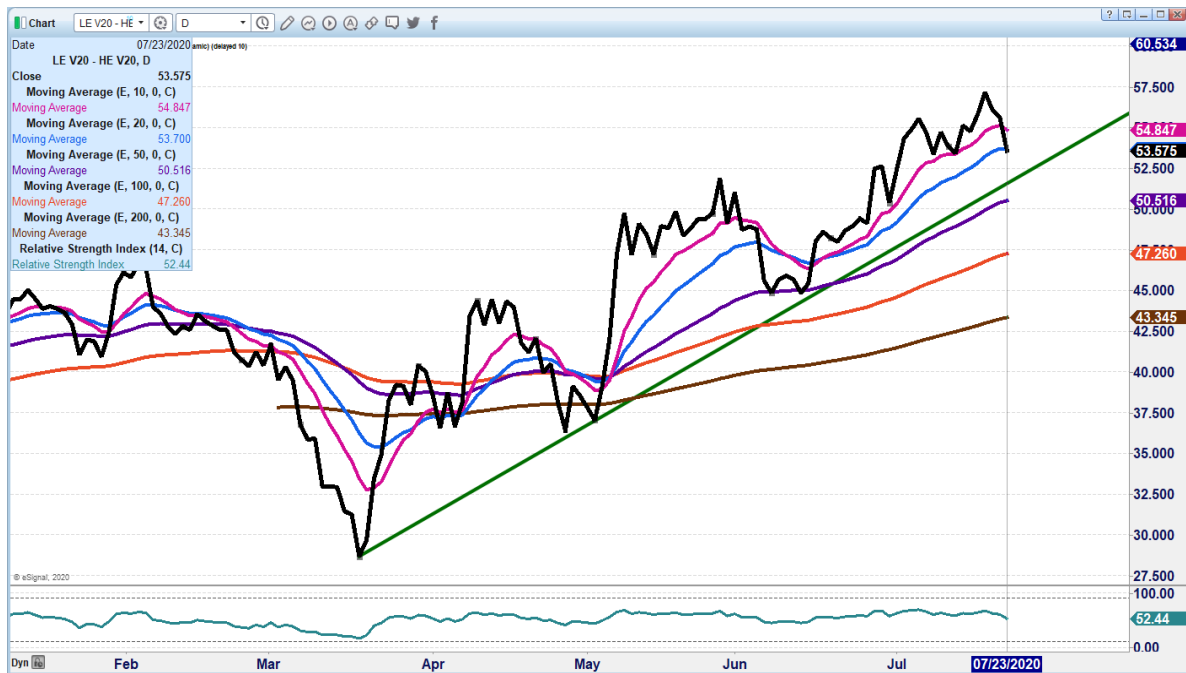


into trimmings for the packer the additional weight is a plus. The time it takes to process a carcass with 30 to 50 pounds is the same as a lighter carcass. The packer has a better time value of labor so there is time cost savings.

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CHARTS ARE UPDATED ON MORNING REPORTS –

OCTOBER 2020 LIVE CATTLE/OCTOBER 2020 LEAN HOGS – Spread narrowing. Fell to 20 day average. Next support 50.75 If took on trade Thursday at 55.00, use SCO below 53.37



AUGUST 2020 LIVE CATTLE/OCTOBER 2020 LIVE CATTLE -

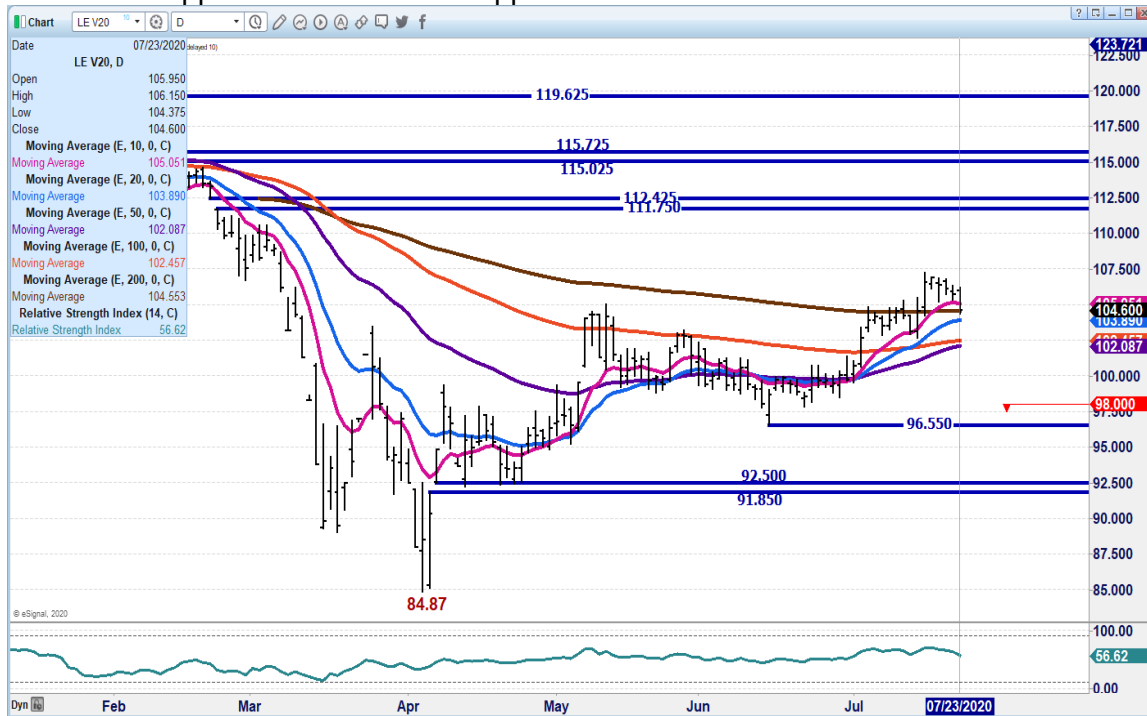


**AUGUST 2020 LIVE CATTLE – Fell below first support on Thursday. Next Support at 98.47
 Resistance is 103.77**





**OCTOBER 2020 LIVE CATTLE – Pick up in volume Thursday but just moderate at 20,394
 Fell to first support at 104.55. Next support 102.05 Resistance is 107.25 to 108.92**



Feeder Cattle

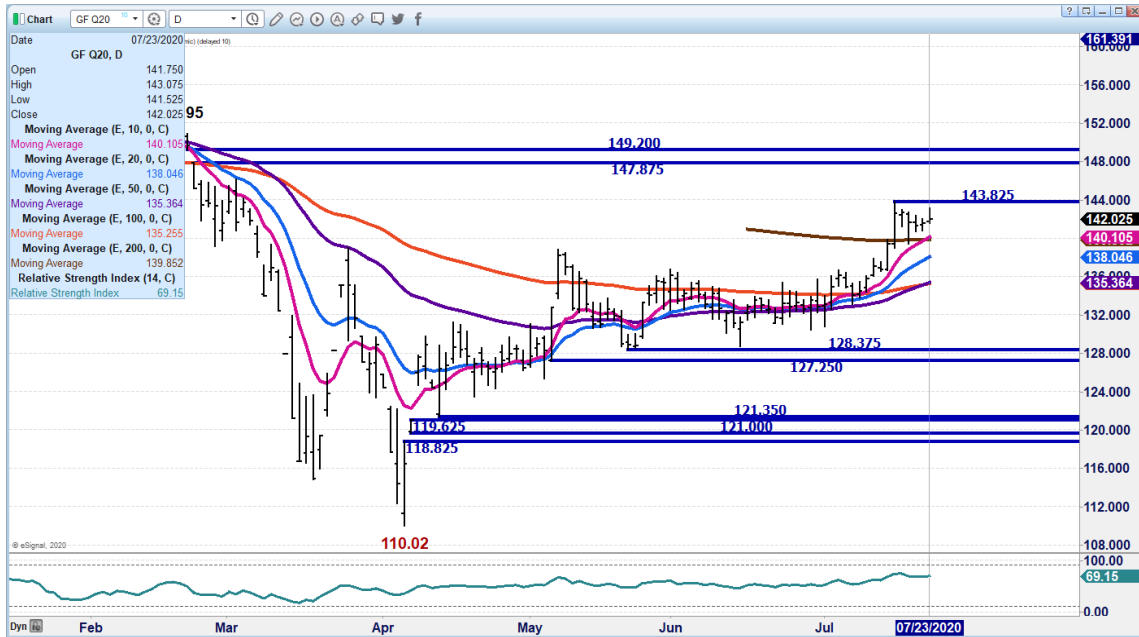
THE CME FEEDER INDEX ON 07/22/2020 IS 137.96 UP 1.54 FROM PREVIOUS DAY - AUGUST 2020 FEEDER CATTLE SETTLED AT 142.02 ON JULY 23, 2020.

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.

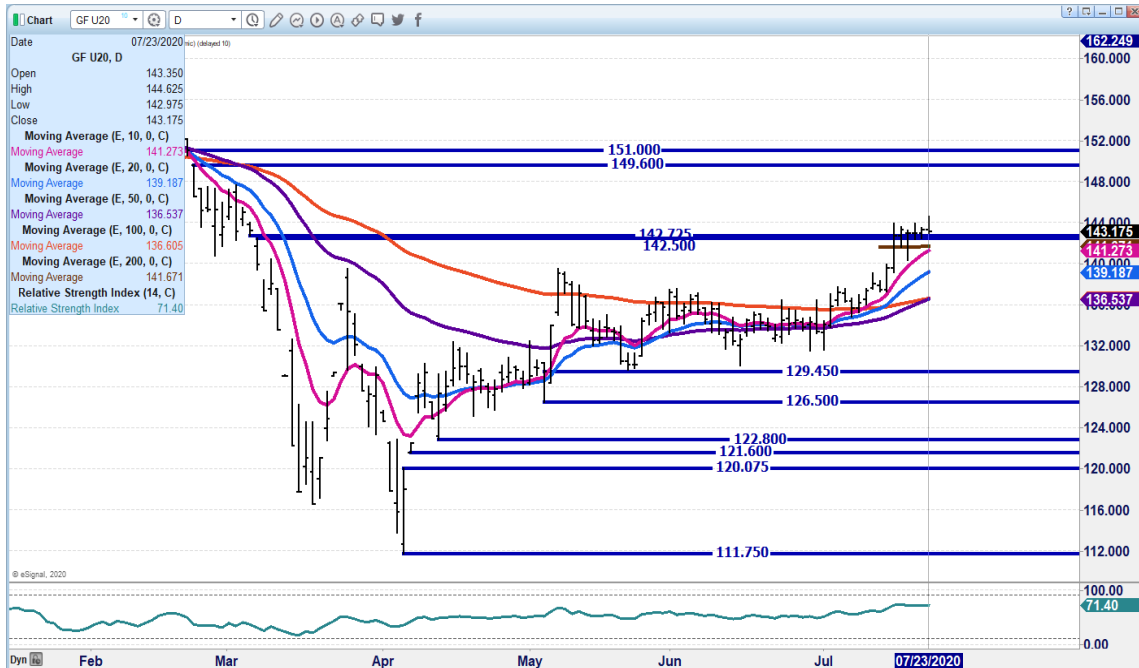
AUGUST 2020 FEEDER CATTLE – ATTEMPTED RALLY BUT CAME BACK TO ROOSTING POINT OF PAST 5 DAYS. SUPPORT AT 140.00 RESISTANCE IS 143.82



Daily Futures Market Commentary



SEPTEMBER 2020 FEEDER - MADE NEW HIGH FOR THE LAST WEEK BUT DIDN'T HOLD. SUPPORT AT 141.25 TO 136.50 RESISTANCE AT 145.02



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JULY 23, 2020	476,000
WEEK AGO	468,000
YEAR AGO	470,000
WEEK TO DATE (EST)	1,891,000
SAME PERIOD LAST WEEK (EST)	1,861,000
SAME PERIOD LAST YEAR (ACT)	1,892,000

**REVISED WEDNESDAY HOG SLAUGHTER..472,000 PREVIOUS ESTIMATE 478,000

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CME CASH HOG INDEX 07/21/2020 AT 49.42 UP 78 CENTS FROM PREVIOUS DAY.
 CME CASH PORK CUTOUT INDEX 07/22/2020 AT 69.77 UP .07 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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Trade volume was light Thursday. Around 12:45PM central time the trade volume on October Hogs broke 10,000 contracts. In the last 5 minutes to 1:00PM settlement as hogs sold off the highs, over 3000 contracts were traded.

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Don't get too caught up in the individual fluctuating primal cuts. Most pork is being sold as carcass, but even in the US like beef, pork is being ground up or trimmed out and further processed. As reported a month ago, products like SPAM are having some of the best sales in years. In 15 weeks ending June 13th, US sales of SPAM was up 70%

<https://www.bloomberg.com/news/articles/2020-06-20/from-spam-to-corned-beef-sales-of-canned-meat-are-booming>

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JULY 23, 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: 304.04
 LOADS TRIM/PROCESSED PORK : 40.92

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
07/23/2020	344.96	69.67	65.36	67.83	43.21	111.01	71.66	96.50
CHANGE :		0.34	-2.12	-0.54	2.84	0.41	3.41	-0.69
Five Day Average --		70.17	68.48	68.73	44.56	112.00	68.31	98.72



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NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE
Slaughter Data for JULY 21, 2020

Average carcass weight - 278.95
Average live weight - 209.62
https://www.ams.usda.gov/mnreports/ams_2511.pdf

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DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM JULY 23, 2020
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES
Carcass Base Price: \$30.00 - \$40.25
Weighted Average: \$36.01
Change from Prior Day: 0.62 higher
HOGS SOLD: 10,207

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)
PRICE RANGE: \$31.02 - \$65.80
Weighted Average \$49.57 PREVIOUS DAY \$49.53
HOGS SOLD: 143,895

NATIONAL NEGOTIATED LIVE HOG PURCHASE PRICE
PRICE RANGE: \$27.50 - \$28.75
Weighted Average: \$28.48
Change from Prior Day: no comparison
Hogs sold: 393
https://www.ams.usda.gov/mnreports/lm_hq203.txt

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**AUGUST 2020 LEAN HOGS – Closed above 50 day average Jan 2. Next resistance at 57.80
Support at 51.65**



OCTOBER 2020 LEAN HOGS - Moved to resistance at 51.60 Next resistance is 52.07 to 54.85 Support 50.20 Volume was moderately light at 13,959



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DECEMBER 2020 LEAN HOGS – Resistance is 52.65 to 54.95 Support at 50.77



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