



Morning August 5, 2020 Livestock Report

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CATTLE

USDA FEDERAL SLAUGHTER

AUGUST 4, 2020	119,000
WEEK AGO	119,000
YEAR AGO	121,000
WEEK TO DATE (EST)	232,000
SAME PERIOD LAST WEEK (EST)	236,000
SAME PERIOD LAST YEAR (ACT)	241,000

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	CHOICE	SELECT
BOXED BEEF FINAL	204.24	190.45
CHANGE FROM PRIOR DAY	(0.42)	0.05
CHOICE/SELECT SPREAD:		13.79
TOTAL LOAD COUNT		160
5 DAY SIMPLE AVERAGE:	202.76	189.92

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FINAL AUGUST 4, 2020	CHOICE	SELECT
Primal Rib	339.64	294.50
Primal Chuck	162.55	156.16
Primal Round	167.61	167.51
Primal Loin	276.86	246.50
Primal Brisket	146.24	144.14
Primal Short Plate	137.92	137.92
Primal Flank	121.45	116.49

FINAL AUGUST 3, 2020	CHOICE	SELECT
Primal Rib	339.66	294.22
Primal Chuck	162.15	156.34
Primal Round	167.71	167.23
Primal Loin	278.97	246.86
Primal Brisket	146.64	143.42
Primal Short Plate	138.14	138.14
Primal Flank	122.42	114.48



LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
08/03	50	22	14	17	104	204.66	190.40
07/31	52	21	8	18	98	203.26	189.89
07/30	93	22	3	19	137	201.80	191.50
07/29	100	27	16	31	174	201.11	189.49
07/28	64	37	15	9	124	202.96	188.32

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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	83.28 loads	3,331,187 pounds
Select Cuts	25.51 loads	1,020,566 pounds
Trimmings	12.07 loads	482,727 pounds
Ground Beef	39.22 loads	1,568,937 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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There are a lot of yield grade 4's and 5's showing up and packers don't seem to be hitting them with discounts. Recent move up could be for Labor Day retailer buying However, there wasn't big demand over Memorial Day or July 4th but with the last big summer holiday, retailers may show out high end cuts that are now leading the boxed beef higher.

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A few thousand head, mostly in Kansas and a few in Texas/Oklahoma sold on Tuesday. Kansas sold cattle for \$100.00 and Texas at \$99.00 both higher on the week. Midwest cattle producers are asking \$105 and they may just get it. Supplies in the Midwest are current and with cutout improvement over last week and with packers paying up the first week of the month when they usually can pull up their own cattle, feedlots after months of taking what packers decide to pay, may have an advantage.

There are still packers in Brazil and Argentina unable to sell poultry, beef and pork to China and with the way packers have been contracting meat as of late past mandatory reporting times, it is likely exports for beef especially with cheap US Dollar are going to see a continued strong exports. Last week beef net sales exports were 29,500 metric tonnes for 2020, a marketing-year high. Thursday, don't be surprised to see strong beef export.



Fed Cattle Exchange for Internet sale Wednesday has 1474 head.

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USDA POSTED CATTLE PRICES ON 8/04/2020
 IA/MN – NO CASH SALES DRESSED 161.00 ON 39 HEAD
 NE - CASH – NO SALES DRESSED NO SALES
 KS – CASH – 100.00 ON 2,894 HEAD DRESSED: NO SALES
 TX/OK/NM – 99.00 ON 434 HEAD
 COLORADO – NO SALES

National Daily Direct Cattle AUGUST 4, 2020
 (5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1442	\$98.98	36,352
Live Heifer:	1300	\$98.16	19,587
Dressed Steer:	922	\$159.57	22,174
Dressed Heifer:	830	\$160.00	6,176

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As of August 4th Dressed weights were 878.1 compared to previous week at 878.2. Compared to a year ago weights are up 36 pounds Grading percent was 83.0% compared to previous week at 83.6%.

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CHARTS ARE UPDATED ON MORNING REPORTS –

OCTOBER 2020 LIVE CATTLE/OCTOBER 2020 LEAN HOGS – Slight downturn Tuesday.
 Could go to 10 day moving average at 57.00, but look for cattle to gain on hogs during August





AUGUST 2020 LIVE CATTLE/OCTOBER 2020 LIVE CATTLE – Spread is wide.



AUGUST 2020 LIVE CATTLE – Strong resistance at 103.77 to 105.97. Gap at 107.92 to 108.75 may be spec target. Support at 101.87 to 101.07

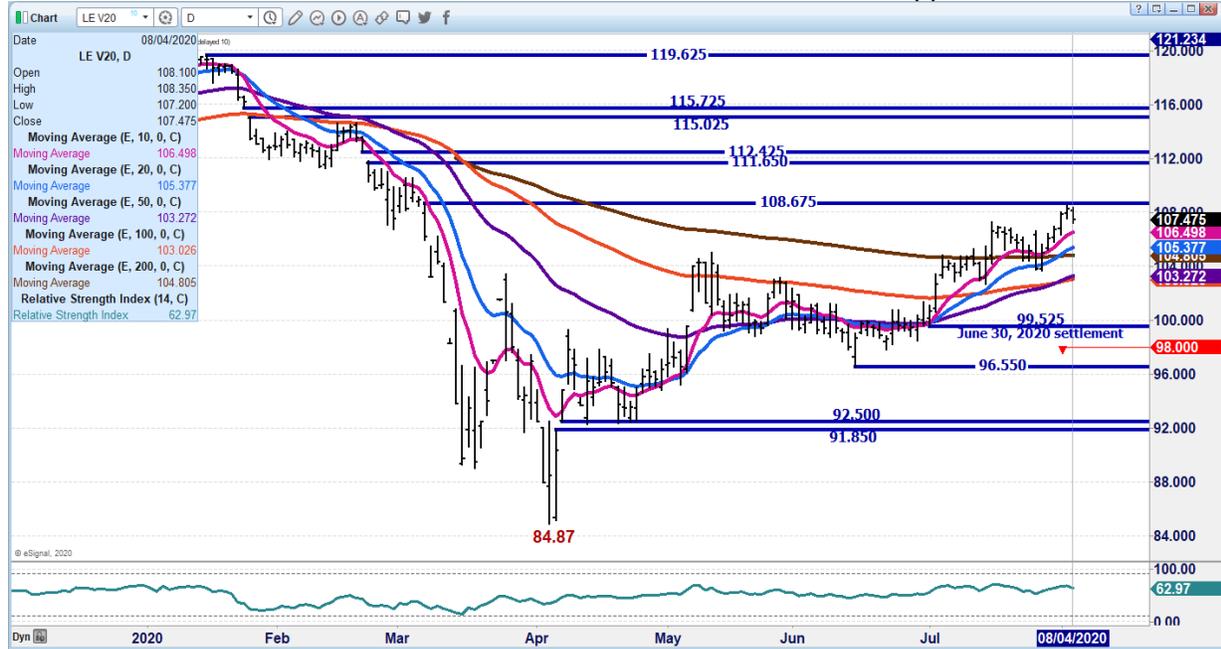


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OCTOBER 2020 LIVE CATTLE – Resistance at 108.67 to 109.57 Support at 106.50 to 105.37



Feeder Cattle

THE CME FEEDER INDEX ON 08/03/2020 IS 140.50 UP 70 CENTS FROM PREVIOUS DAY - UPDATE ON MORNING REPORT
AUGUST 2020 FEEDER CATTLE SETTLED AT 144.70 ON AUGUST 4, 2020.

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 07/31/2020

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	136,100	48,500	400	185,000
LAST WEEK:	128,100	79,500	96,600	304,200
YEAR AGO:	148,700	94,200	6,200	249,100

COMPARED TO LAST WEEK, STEERS AND HEIFERS ARE TRADING MOSTLY STEADY TO 4.00 HIGHER. THIS WEEK'S PRICES WERE PRETTY MUCH IN MOST CASES A REPEAT OF LAST WEEK'S MARKET TREND: WITH SOME OF THE MOST ADVANCES CONTINUE ON THE HEAVY YEARLINGS OVER 800 LBS. HIGH VOLUME SALES AT OK CITY AND EL RENO DID SEE SOME UNEVEN TO LOWER PRICES BUT ON MOSTLY PLAIN TO



AVERAGE FEEDERS. SALE BARNs THROUGHOUT THE NORTHERN PLAINS CONTINUE ON THEIR SUMMERTIME SCHEDULES WITH LARGER SALES EVERY OTHER WEEK.

[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/SJ_LS850.TXT](https://www.ams.usda.gov/mnreports/sj_ls850.txt) FULL REPORT

AUG 2020 FEEDER CATTLE – RESISTANCE AT 146.12 TO 149.20 SUPPORT AT 142.70



SEPT 2020 FEEDER - RESISTANCE AT 147.65 TO 151.00 SUPPORT AT 144.10 TO 142.07



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

AUGUST 4, 2020	474,000
WEEK AGO	475,000
YEAR AGO	474,000
WEEK TO DATE (EST)	894,000
SAME PERIOD LAST WEEK (EST)	930,000
SAME PERIOD LAST YEAR (ACT)	899,000

REVISED MONDAY HOG SLAUGHTER..420,000 PREVIOUS ESTIMATE 425,000

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CME CASH HOG INDEX 07/31/2020 AT 53.11 DOWN 41 CENTS FROM PREVIOUS DAY.
CME CASH PORK CUTOUT INDEX 08/03/2020 AT 67.39 DOWN .82 DOWN FROM
PREVIOUS DAY.

CME CASH FRESH BACON INDEX ON 7/31/2020 WAS 128.62 COMPARED TO 7/24/2020
WAS 130.93

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Pork cutout Tuesday had a moderately active movement with 496 loads.. The carcass was down 1.28 with picnics and bellies down the hardest. Both loins and hams ended the day down. Butts were the only primal higher. Pork carcass has been dropping over the past week. A week ago the carcass was 79.18 when hams were 81.93 and bellies were 124.80. Loins a week ago were 71.08

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Volume on futures light. October moved up to the overhead resistance, the convergence of 10 and 20 day moving average and then spec traders took profits. August settled at \$49.70, down 17 cents and under the recent CME Lean Hog Index by \$3.41.

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China's hog futures set to make debut, but face big challenges - Reuters

<https://www.reuters.com/article/us-china-futures-hogs-analysis/chinas-hog-futures-set-to-make-debut-but-faces-big-challenges-idUSKCN2500H3>

China has talked about having a hog contract for close to 10 years and soon will start trading. It definitely is geared to larger producers. The Chinese pork industry wants its especially buyers of pork due to pork volatility on the merchandiser level. But like the



US hog market, mega hog production is owned, or hogs are long term contracted to packers so for a method of price discovery, it will have limitations.

It could increase trade volume on US lean hog futures as traders arbitrage US futures and Chinese futures.

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AUGUST 4, 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: 421.38

LOADS TRIM/PROCESSED PORK : 44.56

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
08/04/2020	465.94	65.50	70.44	71.38	50.45	118.63	39.97	100.71
CHANGE :		-1.28	-0.62	2.34	-3.71	-0.77	-0.66	-4.75
Five Day Average --		66.61	69.02	69.47	49.80	116.77	48.81	98.78

MORNING

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
08/04/2020	272.22	66.72	72.99	71.93	50.10	119.18	42.09	100.85
CHANGE :		-0.06	1.93	.89	-4.06	-0.22	1.46	-4.61
Five Day Average --		66.86	69.53	69.58	49.73	116.88	49.23	98.81

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NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

Slaughter Data for AUGUST 03, 2020

Average carcass weight - 277.55

Average live weight - 209.54

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

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DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM AUGUST 4, 2020

NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES

Carcass Base Price: \$38.00 - \$40.00

Weighted Average: \$38.78

Change from Prior Day: 1.52 lower

HOGS SOLD: 8,645



SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)
PRICE RANGE: \$39.05 - \$62.56
Weighted Average \$51.25 PREVIOUS DAY \$51.35
HOGS SOLD: 147,210

NATIONAL NEGOTIATED LIVE HOG PURCHASE PRICE
PRICE RANGE: \$30.00 - \$34.00
Weighted Average: \$33.16,
Change from Prior Day: 0.83 higher
Hogs sold: 925

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

AUGUST 2020 LEAN HOGS – Resistance at 51.45 Support at 47.52 to 45.62





OCTOBER 2020 LEAN HOGS - Resistance is 10 day average at 49.82 to 51.00 Support 47.00



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