



Morning August 7, 2020 Livestock Report

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CATTLE

USDA FEDERAL SLAUGHTER

AUGUST 6, 2020	118,000
WEEK AGO	119,000
YEAR AGO	122,000
WEEK TO DATE (EST)	464,000
SAME PERIOD LAST WEEK (EST)	474,000
SAME PERIOD LAST YEAR (ACT)	483,000

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	CHOICE	SELECT
BOXED BEEF FINAL	204.66	192.01
CHANGE FROM PRIOR DAY	1.09	1.19
CHOICE/SELECT SPREAD:		12.65
TOTAL LOAD COUNT		143
5 DAY SIMPLE AVERAGE:	203.51	190.61

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FINAL AUGUST 6, 2020	CHOICE	SELECT
Primal Rib	344.04	297.72
Primal Chuck	158.35	158.07
Primal Round	167.32	167.29
Primal Loin	282.24	249.92
Primal Brisket	147.50	144.11
Primal Short Plate	137.86	137.86
Primal Flank	122.32	115.09

FINAL AUGUST 5, 2020	CHOICE	SELECT
Primal Rib	340.32	294.61
Primal Chuck	160.72	157.73
Primal Round	166.46	167.05
Primal Loin	276.95	246.37
Primal Brisket	146.32	143.65
Primal Short Plate	138.48	138.48
Primal Flank	121.32	116.64



LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
08/05	79	30	8	35	152	203.57	190.82
08/04	83	26	12	39	160	204.24	190.45
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

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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	90.23 loads	3,609,387 pounds
Select Cuts	14.86 loads	594,298 pounds
Trimmings	17.61 loads	704,585 pounds
Ground Beef	20.36 loads	814,282 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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Monday, August 10, 2020 is First Notice Day for August Live Cattle. Any LONG positions at the close of business on Monday will be at risk of delivery.

“Due to market volatility, we would like to remind our clients of the ADMIS delivery policy which states that all speculative positions must be liquidated prior to LTD. This policy will be strictly enforced on ALL expiring deliverable positions”. – ADMIS Delivery Department

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Compared to a week ago cattle kill is down 10,000 head and compared to a year ago 19,000 head. Compared to a week ago, Choice boxed beef is up \$2.86. With rising boxed beef prices and fewer available cattle in the North and Midwest, packers had to give into feedlot demands. Packers have been moving cattle to Iowa and Nebraska from Kansas in order to meet their Midwest beef orders.

The demand might be for the last big beef grill out time Labor Day or because of smaller kill and packers need to fulfill previous contracted beef contracts. Whatever the case, demand has been moving up for cattle and beef. Smaller kills in the Midwest and the North should keep demand

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strong at least through the next two weeks if it is Labor Day demand and if filling contracts, demand could stay strong into the fall.

Boxed beef prices slowly creeping up and being led by most expensive cuts Primal Rib and Loins sections. Choice rounds and chucks the weak link as buyers grinding cuts take Select cuts and add fat when needed. Fat is cheap. Buy the lean Select and add fat to grind..

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Fed Cattle Exchange for the Internet sale Wednesday had 1474 head. 1400 sold. 960 head for delivery from 1- 9 days sold for an average of \$99.95 with all lots selling for \$100.00 except one lot for \$99.75. 440 cattle, two lots, for delivery from 1 – 17 days sold for \$100.00. Feedlots asked from \$98.00 to \$100. The 440 head were heifers from Texas weighing from 1190 pounds to 1230 pounds out of the feedlot. Although it wasn't a big sale, buyers were fairly aggressive.

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USDA POSTED CATTLE PRICES ON 8/06/2020
 IA/MN –CASH SALES 102.00 - 105.00 DRESSED 162.00 - 166.00
 NE - CASH – 102.00 - 103.00 DRESSED 163.00 - 168.00
 KS – CASH – 100.00 - 101.00 DRESSED: 163.00
 TX/OK/NM – 100.00
 COLORADO – 160.00 - 162.00

National Daily Direct Cattle AUGUST 6, 2020
 (5 day accumulated weighted avg)

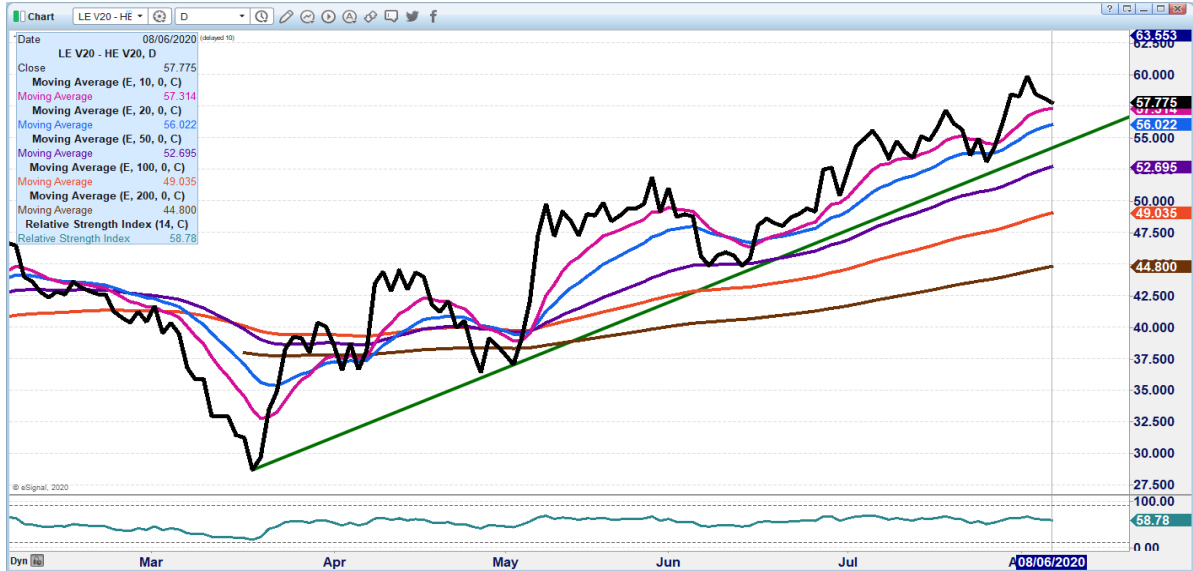
	Weight	Price	Head
Live Steer:	1443	\$100.41	29,622
Live Heifer:	1283	\$100.09	18,586
Dressed Steer:	908	\$159.25	6,330
Dressed Heifer:	819	\$160.61	2,791

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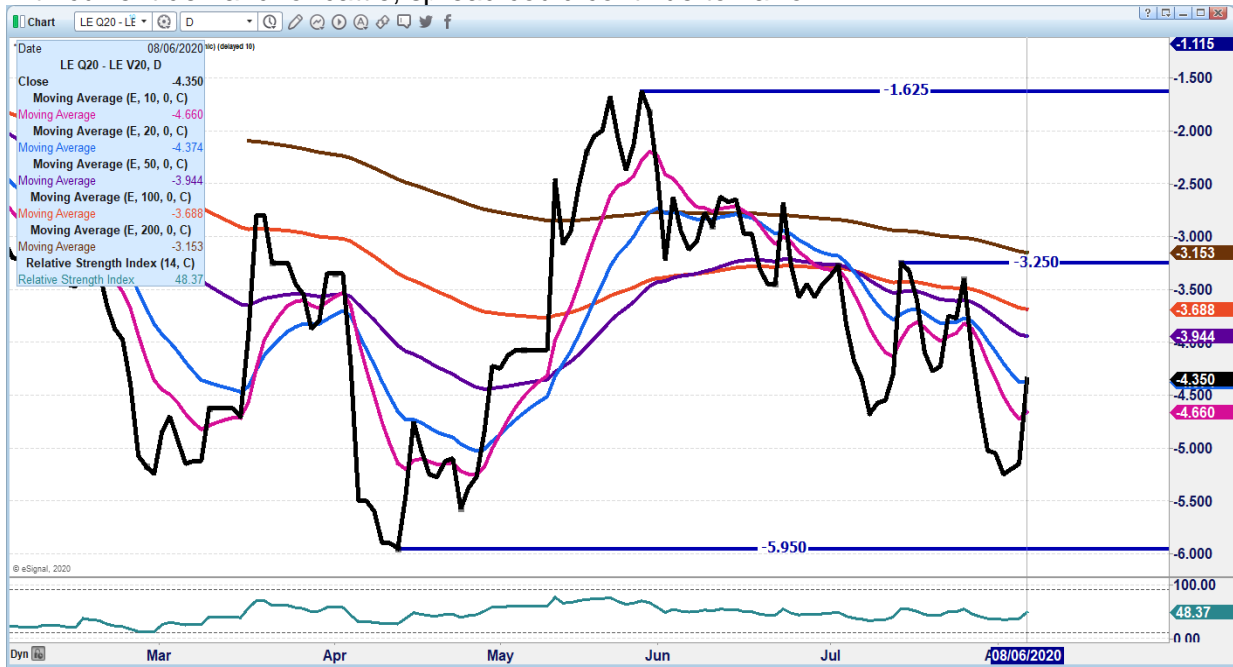
As of August 4th Dressed weights were 878.1 compared to previous week at 878.2. Compared to a year ago weights are up 31 pounds Grading percent was 83.0% compared to previous week at 83.6%.

CHARTS ARE UPDATED ON MORNING REPORTS –

OCTOBER 2020 LIVE CATTLE/OCTOBER 2020 LEAN HOGS – Look for cattle to continue to gain on hogs.

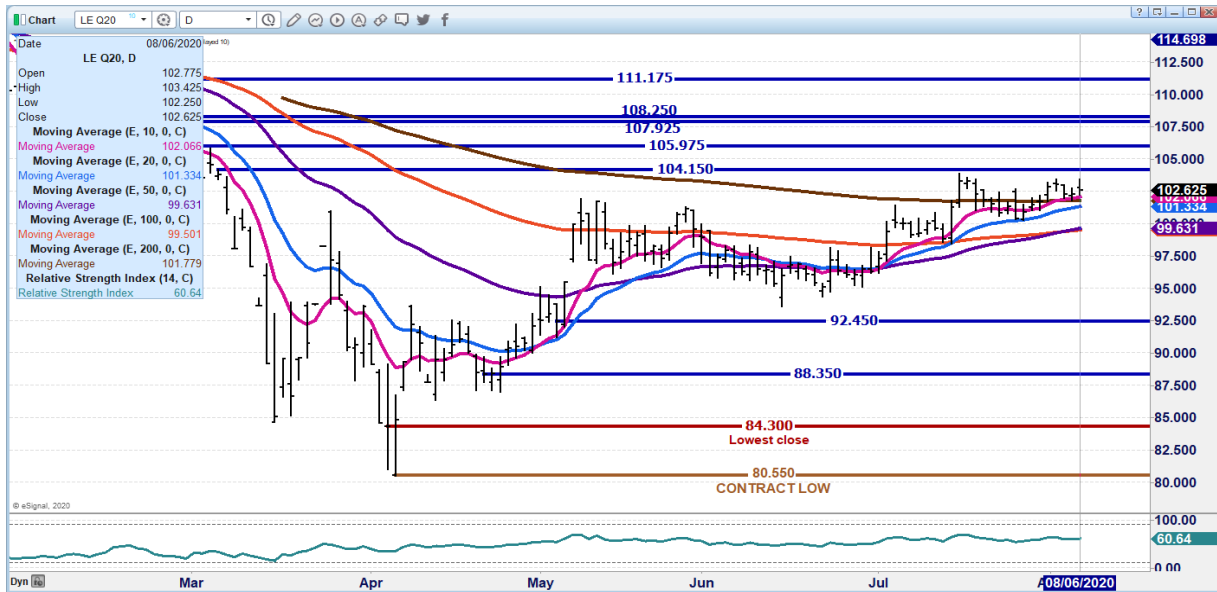


AUGUST 2020 LIVE CATTLE/OCTOBER 2020 LIVE CATTLE – Spread has been wide and with current demand for cattle, spread could continue to narrow.

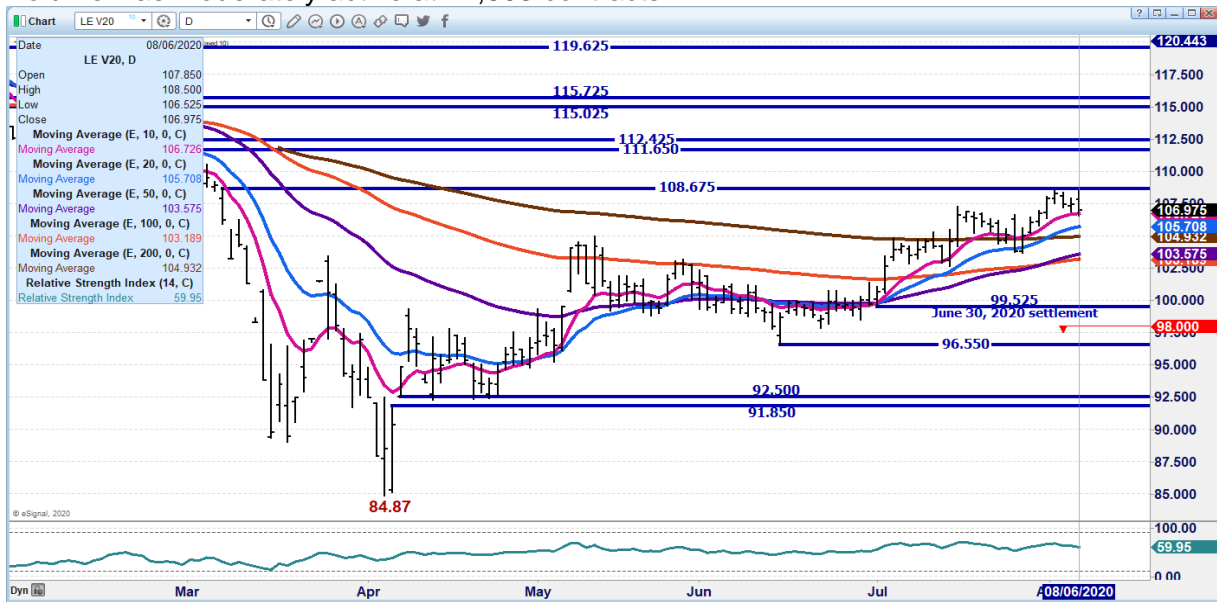




AUGUST 2020 LIVE CATTLE – Open Interest is 23,179 Friday morning. Open Interest was 25,043 Thursday morning. Although open interest dropped, it appears longs still want to remain long. Cash up to \$105 and stronger beef market.. Resistance is 104.15 to 105.97 Support 101.32 to 99.62



OCTOBER 2020 LIVE CATTLE – Support 106.70 to 103.57 Resistance 108.67 to 110.52 Volume was moderately active at 22,803 contracts



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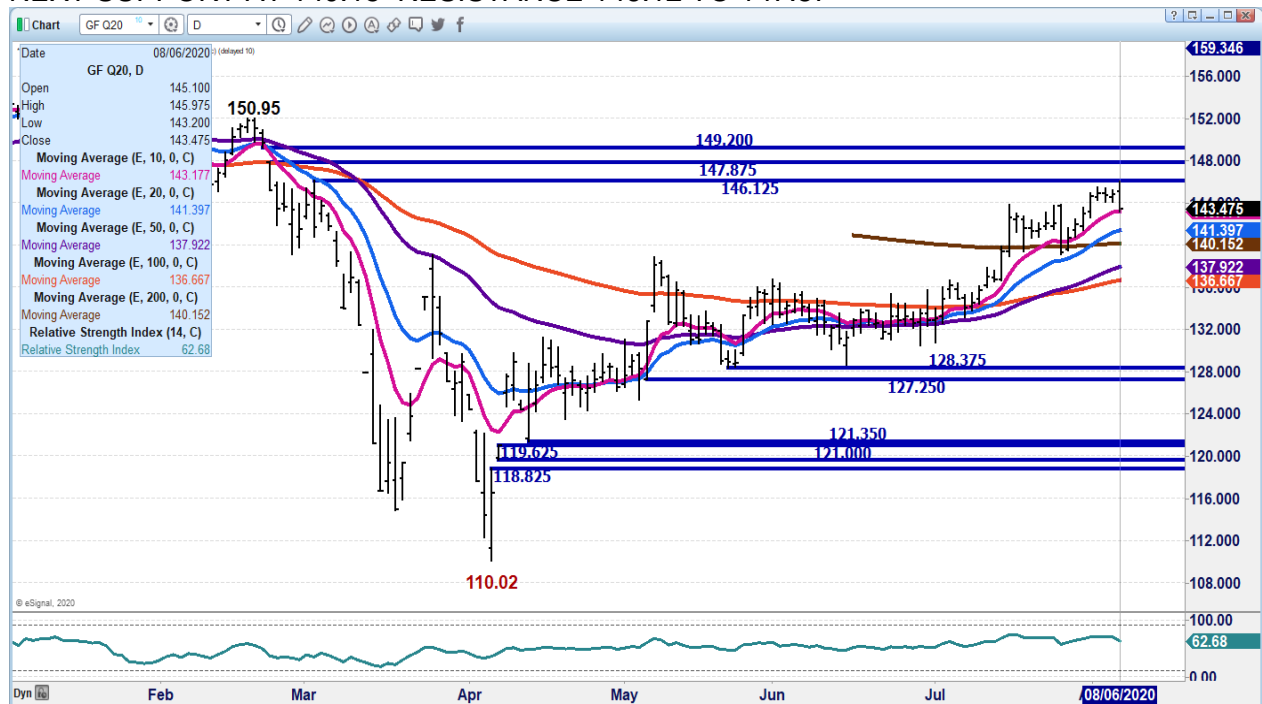


Feeder Cattle

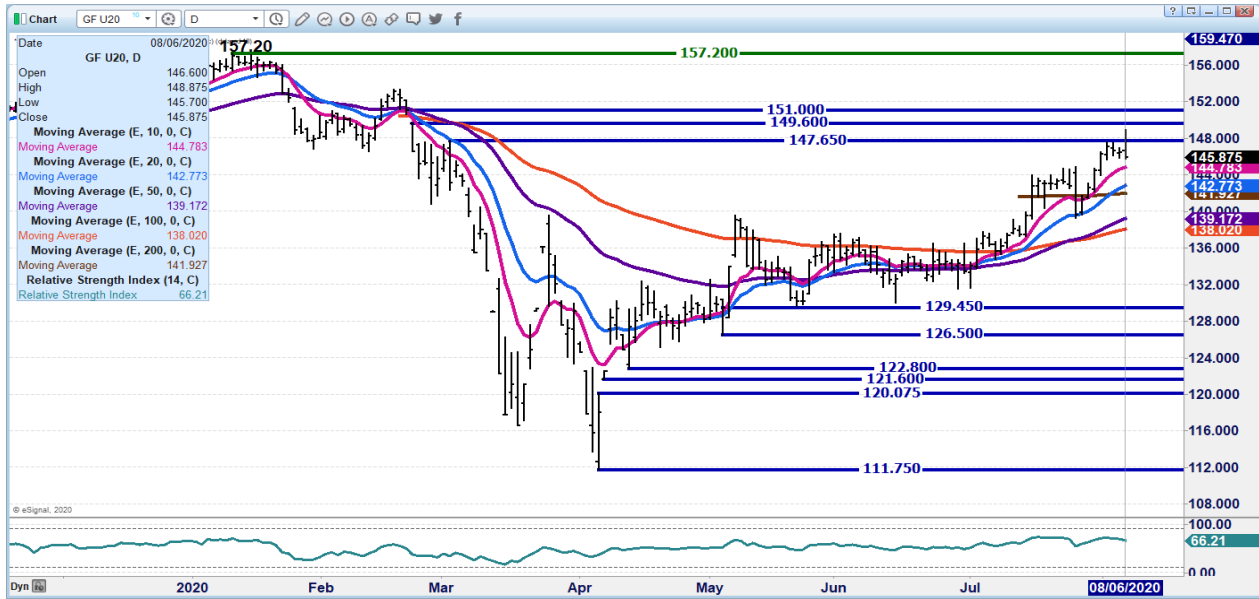
THE CME FEEDER INDEX ON 08/05/2020 IS 140.79 UP 19 CENTS FROM PREVIOUS DAY - UPDATE ON MORNING REPORT
AUGUST 2020 FEEDER CATTLE SETTLED AT 144.80 ON AUGUST 6, 2020.

DEMAND FOR FEEDERS IS STRONG. FEEDLOTS ARE CURRENT IN THE NORTH AND MIDWEST. GRAIN IS CHEAP. CONTRACT FEEDLOTS NEED TO KEEP PENS FILLED.

AUGUST 2020 FEEDER CATTLE – REVERSE TO FALL TO FIRST SUPPORT AT 143.77. NEXT SUPPORT AT 140.15 RESISTANCE 146.12 TO 147.87



SEPTEMBER 2020 FEEDER - SUPPORT AT 144.77 TO 142.77 RESISTANCE IS 147.65 TO 149.60/151.00



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

AUGUST 6, 2020	476,000
WEEK AGO	480,000
YEAR AGO	475,000
WEEK TO DATE (EST)	1,830,000
SAME PERIOD LAST WEEK (EST)	1,887,000
SAME PERIOD LAST YEAR (ACT)	1,850,000

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CME CASH HOG INDEX 08/04/2020 AT 52.92 UP 11 CENTS FROM PREVIOUS DAY.

CME CASH PORK CUTOUT INDEX 08/05/2020 AT 66.39 DOWN .15 DOWN FROM PREVIOUS DAY.

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

Pork improved Thursday with hams and bellies leading market higher. Likely Mexico buying hams and fresh bellies. US Dollar is cheap and so are hams and bellies. It will be important to see if packers have big Saturday kill. If so, look for stronger hog market.

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Pork cuts having huge swings. With most pork selling as entire carcass, buyers needing specific cuts have to pay up for what they want and then make up for cuts not selling. For instance, Thursday hams were up 14.26 but loins were down 5.49. Since loins aren't selling, merchandisers have to find the price where buyers will finally buy the cut. Like chicken breasts and chicken white meat that had record storage on the last Cold Storage Report, US pork loins are not desired in exports as individual cuts. If purchased with the carcass, they are ground and processed with whole hog.

Hog slaughter almost daily is being revised lower. With direct hog prices moving down it is reminiscent of what took place as COVID 19 hit packing plants in the spring. Several Midwestern and Southeast states such as Georgia, North Carolina, Nebraska, Missouri and Iowa have had surges in new cases of the virus. Need to keep a watch on weights if they begin to increase suggesting packers are backing up hogs. However, with drop of carcass prices from highs of last week, packers may simply be holding back line speeds to keep up margins and killing fewer hogs.

Exports at 30,300 metric tonnes were fairly good. With current slaughter levels exports of 26,000 metric tonnes or more are good. Don't get caught up with China needing to be biggest buyer. As long as pork is moving, it is what is needed.

AUGUST 6, 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: 293.75
LOADS TRIM/PROCESSED PORK : 30.63
FINAL 8/05/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
08/06/2020	324.37	70.80	66.64	76.37	49.71	120.26	56.90	109.75
CHANGE :		3.76	-0.90	6.13	0.37	2.18	9.18	5.79
Five Day Average --		67.09	68.63	70.96	50.40	118.10	46.77	103.33

MORNING

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
08/06/2020	180.04	71.97	62.05	73.08	45.57	121.32	61.98	120.94
CHANGE :		4.93	-5.49	2.84	-3.77	3.24	14.26	16.98
Five Day Average --		67.32	67.71	70.30	49.57	118.31	47.79	105.57



NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE
Slaughter Data for AUGUST 05, 2020

Average carcass weight - 278.21
Average live weight - 209.14
https://www.ams.usda.gov/mnreports/ams_2511.pdf

DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM AUGUST 6, 2020
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES
Carcass Base Price: \$36.00 - \$40.00
Weighted Average: \$37.99
Change from Prior Day: 0.54 lower
HOGS SOLD: 10,784

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)
PRICE RANGE: \$37.93 - \$63.69
Weighted Average \$50.34 PREVIOUS DAY \$50.74
HOGS SOLD: 146,497

NATIONAL NEGOTIATED LIVE HOG PURCHASE PRICE
PRICE RANGE: *Price not reported due to confidentiality*
Weighted Average: N/A
Change from Prior Day: N/A
Hogs sold: 559

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

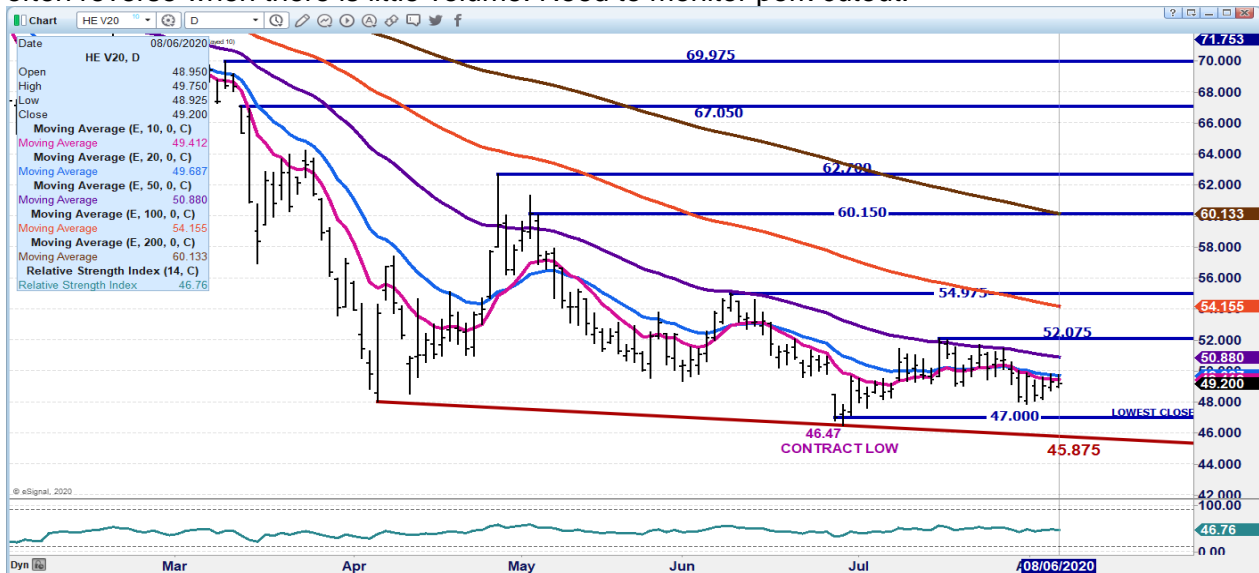
AUGUST 2020 LEAN HOGS – Volume extremely light at 3908 contracts. Support 47.52 to 45.42 Resistance at 50.97



Daily Futures Market Commentary



OCTOBER 2020 LEAN HOGS - Very light volume at 9753 contracts. Resistance at 49.80 to 50.90 Support at 47.00 to 45.87 Low volume is a concern. Funds, especially algorithmic funds often reverse when there is little volume. Need to monitor pork cutout.



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