



Morning August 20, 2020 Livestock Report

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CATTLE

USDA FEDERAL SLAUGHTER

AUGUST 19, 2020	119,000
WEEK AGO,	117,000
YEAR AGO,	118,000
Week to date	351,000
Same Period Last Week (est)	347,000
Same Period Last Year (act)	350,000

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	CHOICE	SELECT
BOXED BEEF FINAL	223.04	205.65
CHANGE FROM PRIOR DAY	2.18	1.00
CHOICE/SELECT SPREAD:		17.39
TOTAL LOAD COUNT		179
5 DAY SIMPLE AVERAGE:	214.48	199.86

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FINAL AUGUST 19, 2020	CHOICE	SELECT
Primal Rib	369.38	327.90
Primal Chuck	174.21	171.23
Primal Round	178.36	179.95
Primal Loin	319.06	264.25
Primal Brisket	157.30	150.20
Primal Short Plate	140.75	140.75
Primal Flank	116.54	112.74

LOAD COUNT AND CUTOUT VALUE SUMMARY FOR PRIOR 5 DAYS

Date						CHOICE	SELECT
	Choice	Select	Trim	Grinds	Total	600-900	600-900
08/18	102	19	20	32	173	220.86	204.65
08/17	64	21	15	32	133	217.26	201.94
08/14	72	22	15	17	126	214.24	199.29
08/13	73	27	15	25	139	210.95	197.41
08/12	116	34	15	17	182	209.09	195.99



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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	79.83 loads	3,193,186 pounds
Select Cuts	32.51 loads	1,300,265 pounds
Trimming	47.35 loads	1,894,095 pounds
Ground Beef	19.71 loads	788,337 pound

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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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WEEKLY BEEF AND PORK EXPORTS FOR WEEK ENDING AUGUST 13 AT BOTTOM OF REPORT

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DELIVERY NOTICE SERVED – AUGUST 2020 - LIVE CATTLE
SETTLEMENT: AUGUST 19, 2020 - \$107.47
OLDEST LONG: 07/27/20 SETTLEMENT \$100.425

6- RETENDERS

FIRM #	FIRM NAME	DEL	REC
800	MAREX SPEC		6
685	R.J.O'BRIEN ASSOC	3	
905	ADM INVESTOR SERVICE	3	

LOCATION: CLOVIS

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The following are analysts' estimates for the U.S. Department of Agriculture's monthly Cattle on Feed report, which is due on Friday at 2 p.m. CDT

	RANGE	AVERAGE	MILLION HEAD
ON FEED AUGUST 1	99.7-101.4	100.7	11.190
PLACEMENTS IN JULY	101.7-108.7	105.9	1.806
MARKETING IN JULY	98.8-101.5	99.6	1.994

“July cattle placements seen up 5.9% as sector recovers from plant closures - Reuters News



The cattle industry is recovering from temporary shutdowns at U.S. slaughterhouses in April due to coronavirus outbreaks among meatpacking workers. The closures backed up cattle in feedlots and on ranches because they could not all be processed. Plants continue to struggle with worker absences after reopening.”

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The move up in boxed beef is impressive especially Choice Rib and Loin sections. Consumers are buying high price beef again. Will it continue after Labor Day is the question?

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The spread in cash prices from \$103 to \$108.00 this week are packers discounting heavier cattle. Over the past three months packers have taken heavier cattle, Yield Grade 4s and 5s often without any docks. Now they have started. A \$5.00 dock is still tight. It isn't unusual in past years when cattle were heavy and overfed to see docks \$12.00 to \$15.00. Compared to a week ago steer and carcass weights were 5.1 pounds heavier and 25 pounds over last year at this time.

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If packers can buy enough cattle this week, look for them to try to kill 650,000. Last week Kansas feedlots were the reason the spread narrowed between Southwest and Midwest cattle and why prices were up. They should hold out for higher prices this week around \$2.00 higher, but there have been several times over the past couple of years, Kansas feedlots jump the gun and sell early. They are the key at the present time if prices are too narrow between regions.

The demand for beef has done an about face over the past three weeks. There is strong demand for Choice Rib and Loin sections. It is no longer being blended into trimmings and ground beef. For months when the market was moving lower, Rib and loin sections were t like other cuts. Yes, there were people buying Prime and Choice steaks, but when consumers were hoarding everything from bleach, toilet paper and meat, they were buying meat that could be used in a variety of recipes and meat that could be added to products. They weren't buying steaks. They were buying ground beef and beef that was further processed. Currently, there are still more consumers buying what can be utilized the most economically but there are also the consumers that are buying the same as they did before COVID 19 became known.

Daily retail beef buyers may be short for Labor Day or are simply short because long term contractors have and are continuing to build long term supplies. If beef remains strong throughout the week, it isn't a Labor Day push but a squeeze on those buyers that need it in the here and now compared to buyers that have inventory and want to increase inventory.

There is concern countries will be shutting down when COVID 19 and flu hit. Wholesalers learned if they have supplies on hand, they can take advantage when supplies run short. There re also buyers that bought beef when it was cheaper than it is now. Those buyers have leverage.



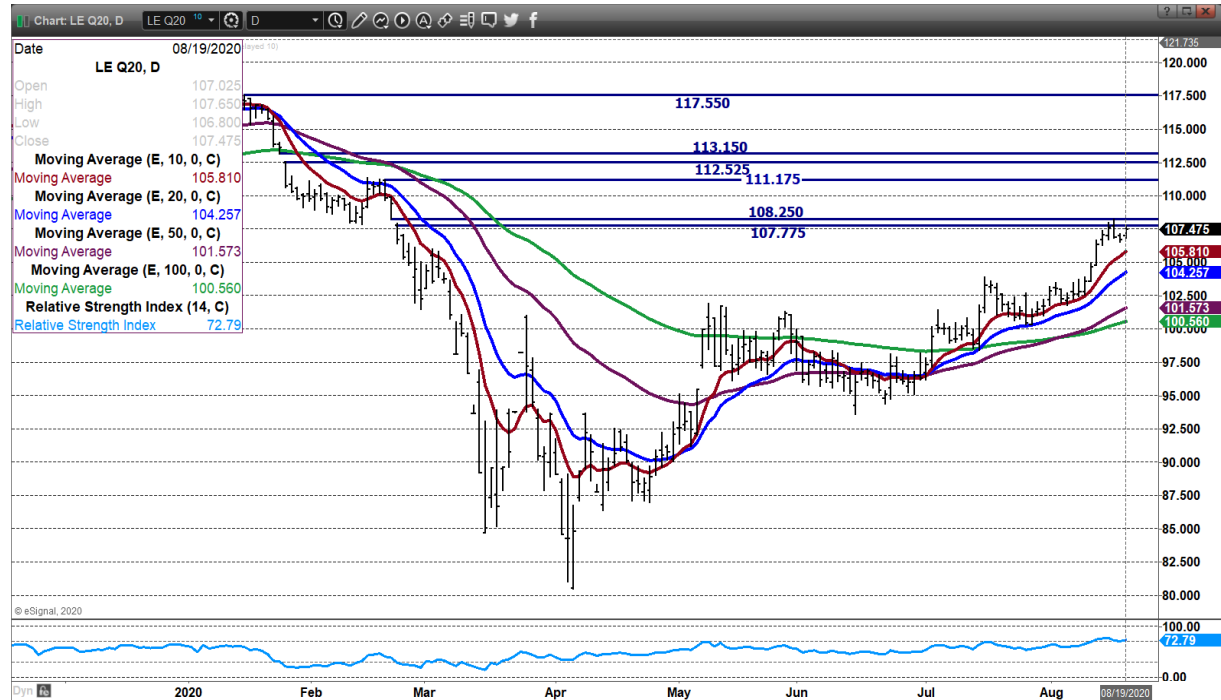
USDA POSTED CATTLE PRICES ON 8/19/2020
 IA/MN –CASH SALES 106.00 - 108.00 DRESSED 169.00 - 170.00
 NE - CASH – NO CASH DRESSED 170.00
 KS – CASH – 103.00 - 106.00 DRESSED: n/a
 TX/OK/NM – 106.00 - 106.75
 CO – CASH n/a DRESSED n/a

National Daily Direct Cattle AUGUST 19, 2020
 (5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1443	\$105.49	50,307
Live Heifer:	1301	\$105.16	26,880
Dressed Steer:	930	\$167.43	6,142
Dressed Heifer:	833	\$167.55	4,157

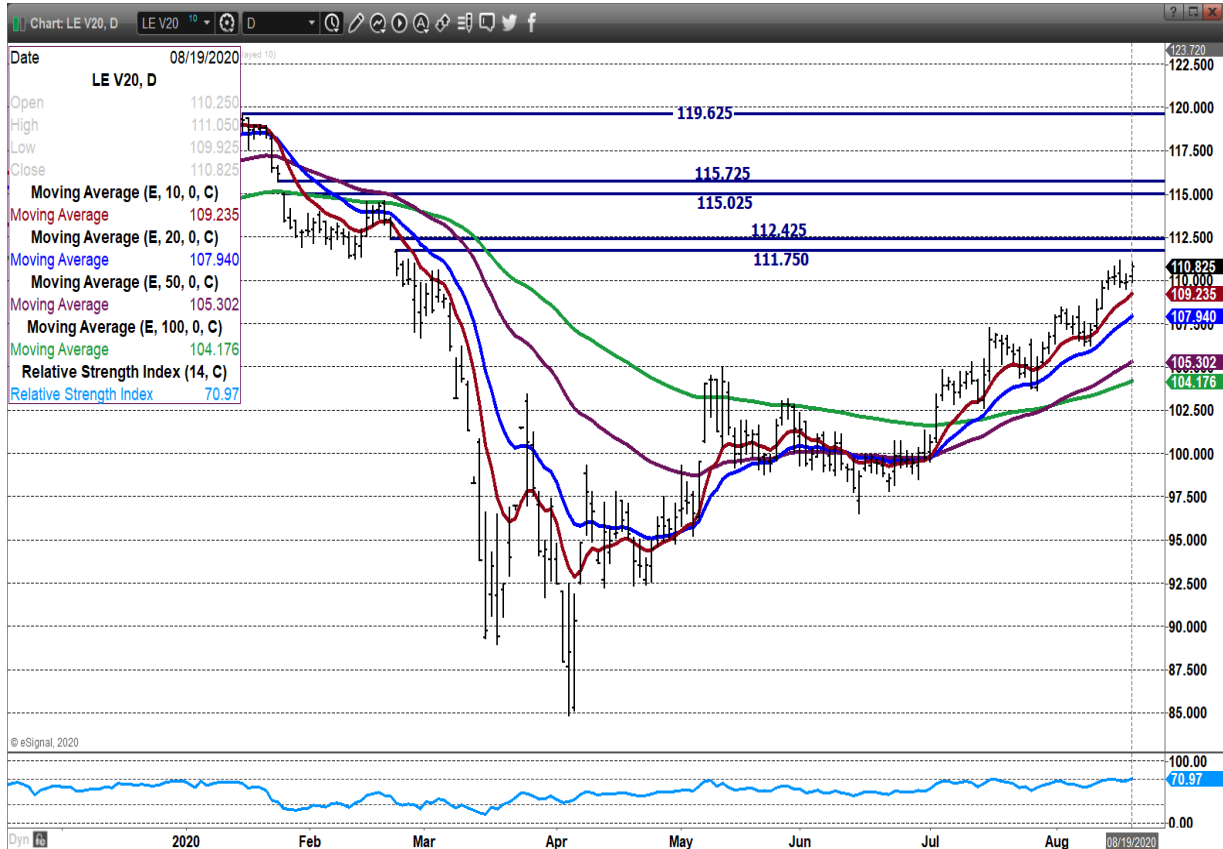
As of August 18th, dressed weights were 882.5 compared to previous week at 876.6 up 5.1 from week ago Compared to a year ago weights are 26 pounds over a year ago and down 6 from a week ago. Grading percent was 83.5% compared to previous week at 83.5%.

AUGUST 2020 LIVE CATTLE – RESISTANCE AT 108.25 TO 111.75 SUPPORT AT 105.82





OCTOBER 2020 LIVE CATTLE – HIGHEST CLOSE SINCE FEBRUARY 27TH, RESISTANCE AT 111.75 TO 112.42 SUPPORT AT 109.22 TO 107.92. BUY ON BREAK TO 109.25 WITH SCO BELOW 107.37



Feeder Cattle

THE CME FEEDER INDEX ON 08/18/2020 IS 142.62 no change from previous day.

AUGUST 2020 FEEDER CATTLE SETTLED AT 143.55 ON AUGUST 19, 2020.

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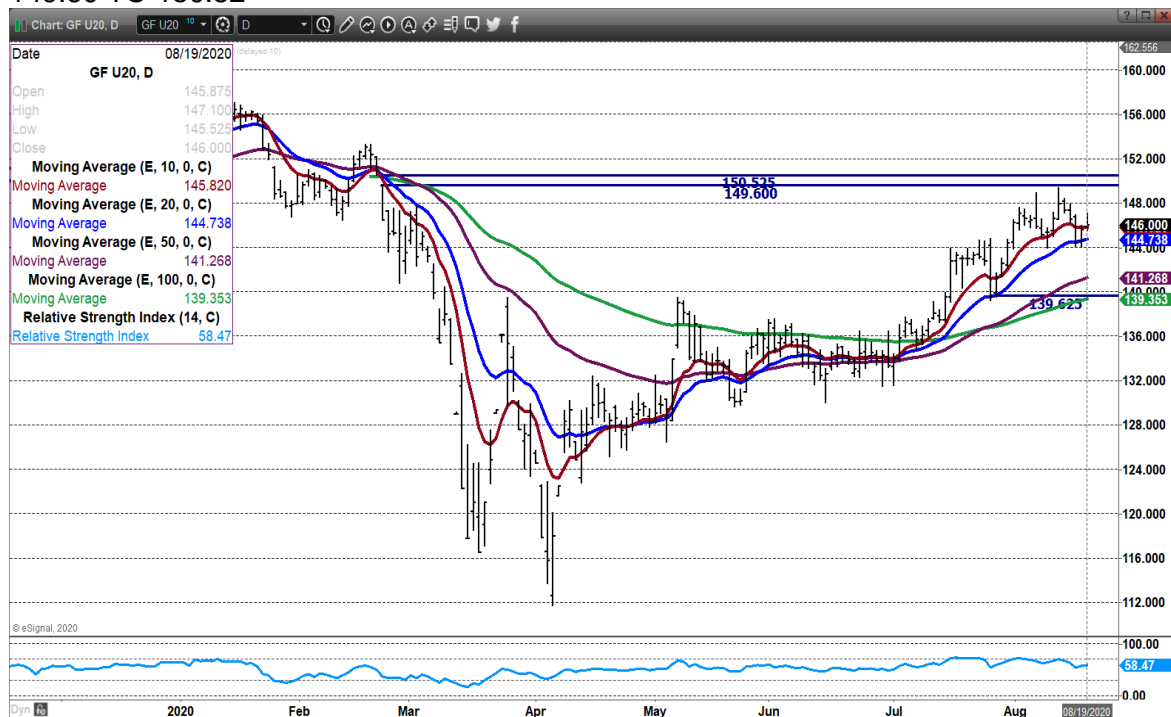
FEEDER HAVE SETTLED BACK OFF HIGHS OF LAST WEEK POSSIBLY DUE TO RALLY IN CORN. DEMAND WILL INCREASE AS MORE FEEDERS BEGIN TO SHOW FROM



MOUNTAIN AND HIGH PLAINS CATTLE. FEEDLOTS IN MIDWEST NEED FEEDER CATTLE.

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SEPTEMBER 2020 FEEDER CATTLE - SUPPORT 146.00 TO 144.75 RESISTANCE AT 149.60 TO 150.52



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

AUGUST 19, 2020	484,000
WEEK AGO	481,000
YEAR AGO	480,000
WEEK TO DATE	1,447,000
SAME PERIOD LAST WEEK (EST)	1,396,000
SAME PERIOD LAST YEAR (ACT)	1,440,000

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CME CASH HOG INDEX 08/17/2020 AT 54.81 UP 34 CENTS FROM PREVIOUS DAY.

CME CASH PORK CUTOUT INDEX 08/18/2020 AT 73.94 UP 90 CENTS FROM PREVIOUS DAY.

CME CASH FRESH BACON INDEX ON 8/14/2020 WAS 140.79 COMPARED TO 8/7/2020 WAS 134.40

There are plenty of hogs for packers. Pork is off it's lows but unless packers start to pull hogs forward, they don't need to fight over cash hogs on the open market

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The ham market on morning pork cutout jumped \$19.39 and was off by the afternoon but remained strong up 12.41. Somebody has the ham market cornered. Buyers that need hams must pay the going price whether it sticks by the afternoon or not. Loins, bellies Picnics, Butts and ribs all lower by the afternoon. Loins are now below hams

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US Dollar is cheap and look for continued export strength from Mexico. If Mexico backs off buying US pork, hogs could be in for a lot of problems. Mexico is the buyer that the US pork industry must depend upon for constant and continued buying.

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Year to date hog slaughter compared to a year ago is up 1.1%. Large Saturday slaughter is making up for processing that has slowed. It certainly doesn't hurt packers are making money and want to push as many hogs through the kill line as possible.

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Basing hog prices on pork movement on daily pork prices has become a lesson in futility. It is better to base pork price movement on what changes take place from one week to the next.

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AUGUST 19, 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

LOADS OF PORK CUTS: 293.41

LOADS TRIM/PROCESSED PORK: 40.71



FINAL 8/19/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
08/019/2020	334.12	74.99	71.44	76.45	49.24	127.10	73.82	99.87
CHANGE :		0.93	-3.08	-1.65	-3.47	-0.43	12.41	-7.42
Five Day Average --		74.46	72.82	77.07	49.71	125.34	68.19	104.52

NOON 8/19/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
08/019/2020	195.38	76.81	72.56	78.19	46.31	125.45	80.80	100.20
CHANGE :		2.75	-1.96	0.09	-6.40	-2.08	19.39	-7.09
Five Day Average --		74.82	73.05	77.42	49.12	125.01	69.59	104.58

FINAL 8/18/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
08/014/2020	376.42	74.06	74.52	78.10	52.71	127.53	61.41	107.29
CHANGE :		-0.49	1.92	1.33	3.01	2.01	-4.99	-1.93
Five Day Average --		73.95	72.43	76.40	48.90	124.31	66.38	106.00

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NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE
Slaughter Data for AUGUST 18, 2020

Average carcass weight - 277.47
Average live weight - 208.12
https://www.ams.usda.gov/mnreports/ams_2511.pdf

DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM AUGUST 19, 2020
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES

Carcass Base Price: \$34.50 - \$43.00
Weighted Average: \$38.89
Change from Prior Day: 1.24 higher
HOGS SOLD: : 4,553

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)
PRICE RANGE: \$36.35 - \$70.36

Weighted Average \$53.76 PREVIOUS DAY \$53.89
HOGS SOLD: 148,534

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

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OCT 2020 LEAN HOGS – SUPPORT AT 51.27 TO 50.55 RESISTANCE 53.85 TO 54.97



DECEMBER 2020 LEAN HOGS – Resistance 54.25 to 56.00 Support at 53.15 to 52.47



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Beef: Net sales of 20,000 MT reported for 2020 were up 69 percent from the previous week and 13 percent from the prior 4-week average. Increases primarily for South Korea (8,700 MT, including decreases of 400 MT), Japan (4,800 MT, including decreases of 300 MT), Taiwan (1,800 MT, including decreases of 100 MT), Mexico (1,600 MT, including decreases of 100 MT), and Hong Kong (1,100 MT, including decreases of 200 MT), were offset by reductions primarily for China (500 MT) and Colombia (100 MT). For 2021, net sales of 500 MT were primarily for Canada (400 MT). Exports of 18,300 MT were up 9 percent from the previous week and 8 percent from the prior 4-week average. The destinations were primarily to Japan (5,800 MT, including 800 MT late – see below), South Korea (5,400 MT), Taiwan (1,800 MT), Canada (1,200 MT), and Mexico (1,100 MT).

Late Reporting: For 2020, exports totaling 800 MT were reported late. The destination was Japan.

Pork: Net sales of 20,600 MT reported for 2020 were up 97 percent from the previous week, but down 27 percent from the prior 4-week average. Increases primarily for Mexico (7,800 MT, including decreases of 300 MT), China (6,500 MT, including decreases of 6,700 MT), Japan (2,400 MT, including decreases of 300 MT), Canada (1,900 MT, including decreases of 400 MT), and South Korea (900 MT, including decreases of 1,000 MT), were offset by reductions primarily for Australia (800 MT) and New Zealand (300 MT). For 2021, total net sales of 100 MT were for Australia. Exports of 31,800 MT were down 9 percent from the previous week and 7 percent from the prior 4-week average. The destinations were primarily to Mexico (9,900 MT), China (9,500 MT), Japan (4,200 MT), Canada (2,300 MT), and South Korea (1,400 MT).

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