



## Morning August 31, 2020 Livestock Report

by Chris Lehner | 312.242.7942 | [chris.lehner@admis.com](mailto:chris.lehner@admis.com)

### CATTLE

#### USDA FEDERAL SLAUGHTER

AUGUST 28, 2020	116,000
WEEK AGO,	116,000
YEAR AGO,	117,000
SATURDAY 08/29/2020	66,000 - A WEEK AGO 66,000, YEAR AGO 65,000
WEEK TO DATE (EST)	654,000
SAME PERIOD LAST WEEK (EST)	652,000
SAME PERIOD LAST YEAR (ACT)	653,000
2020 YEAR TO DATE	20,995,000
2019 *YEAR TO DATE	22,053,000

PERCENT CHANGE YEAR TO DATE MINUS 4.8% A WEEK AGO MINUS 5.0%

	CHOICE	SELECT
BOXED BEEF FINAL	229.40	214.86
CHANGE FROM PRIOR DAY	(2.14)	0.60
CHOICE/SELECT SPREAD:	14.54	
TOTAL LOAD COUNT	114	
5 DAY SIMPLE AVERAGE:	229.22	212.17

#### PREVIOUS WEEK 08/21/2020

BOXED BEEF FINAL	225.94	208.99
------------------	--------	--------

=====

FINAL AUGUST 28, 2020	CHOICE	SELECT
Primal Rib	376.75	334.88
Primal Chuck	180.10	183.20
Primal Round	179.39	183.16
Primal Loin	334.13	281.65
Primal Brisket	165.41	158.36
Primal Short Plate	141.79	141.79
Primal Flank	112.74	112.06



**PREVIOUS WEEK**

**FINAL AUGUST 21, 2020**

	<b>CHOICE</b>	<b>SELECT</b>
<b>Primal Rib</b>	<b>376.31</b>	<b>330.06</b>
<b>Primal Chuck</b>	<b>179.54</b>	<b>177.60</b>
<b>Primal Round</b>	<b>178.16</b>	<b>178.11</b>
<b>Primal Loin</b>	<b>321.28</b>	<b>270.93</b>
<b>Primal Brisket</b>	<b>160.24</b>	<b>156.80</b>
<b>Primal Short Plate</b>	<b>138.91</b>	<b>138.91</b>
<b>Primal Flank</b>	<b>119.40</b>	<b>112.75</b>

**LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS**

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
08/27	46	12	39	13	110	231.54	214.26
08/26	57	16	19	29	121	231.45	214.11
08/25	58	14	9	24	104	229.68	212.26
08/24	56	12	24	20	112	227.47	211.25
08/21	38	6	17	13	75	225.94	208.99

=====

**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	72.52 loads	2,900,633 pounds
Select Cuts	11.67 loads	466,779 pounds
Trimming	19.99 loads	799,746 pounds
Ground Beef	10.29 loads	411,429 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)

**DELIVERY NOTICE SERVED – AUGUST 2020 - LIVE CATTLE**

SETTLEMENT: AUGUST 28, 2020 - \$103.22

OLDEST LONG: 08/20/20 SETTLEMENT \$107.02

0 - DELIVERIES

FIRM #	FIRM NAME	DEL	REC

**USDA POSTED CATTLE PRICES ON 8/28/2020**

IA/MN –CASH NO CASH ON FRIDAY DRESSED 167.00

**ADMIS.com | 312.242.7000 | Chicago | New York | London | Hong Kong | Singapore | Taipei | Shanghai**



NE - CASH – NO CASH ON FRIDAY DRESSED 167.00  
 KS – CASH – 104.00 DRESSED: n/a  
 TX/OK/NM – 104.00  
 CO – CASH \*\*Information not available due to confidentiality\*\*

National Daily Direct Cattle AUGUST 28, 2020  
 (5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1454	\$105.31	35,388
Live Heifer:	1305	\$105.16	23,477
Dressed Steer:	952	\$167.14	22,018
Dressed Heifer:	810	\$167.77	5,608

PREVIOUS WEEK

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

	Weight	Price	Head
Live Steer:	1464	\$106.51	51,108
Live Heifer:	1316	\$106.26	25,775
Dressed Steer:	937	\$168.94	22,599
Dressed Heifer:	835	\$168.76	10,888

=====

As was expected, packers last week were able to take some money off cash cattle and draw on their own September cattle and contracted cattle for this week's kill. Choice gained \$3.46 over the previous week and Select was \$5.87 higher. Daily beef movement was fairly light. The average live steer price lost about \$1.20.

Weights are still a problem adding 28 pounds to each carcass over a year ago and could be a problem for a couple months with heavier framed cattle coming back into feedlots.

Labor Day is next week. This week will give an indication for what is ahead by packer slaughter. The lower daily movement indicated packers have been filling contracted beef. The question; how long are big wholesalers and meat purveyors? When Choice was bouncing around \$200.00 and Select at \$190.00 more than likely a fair amount was contracted at lower prices. Now going into fall, will consumers continue to buy as they have over the last month with those able to buy high end cuts and those that can't.

After today, live cattle futures are out of a spot month. Specs take over "anticipating" October prices.

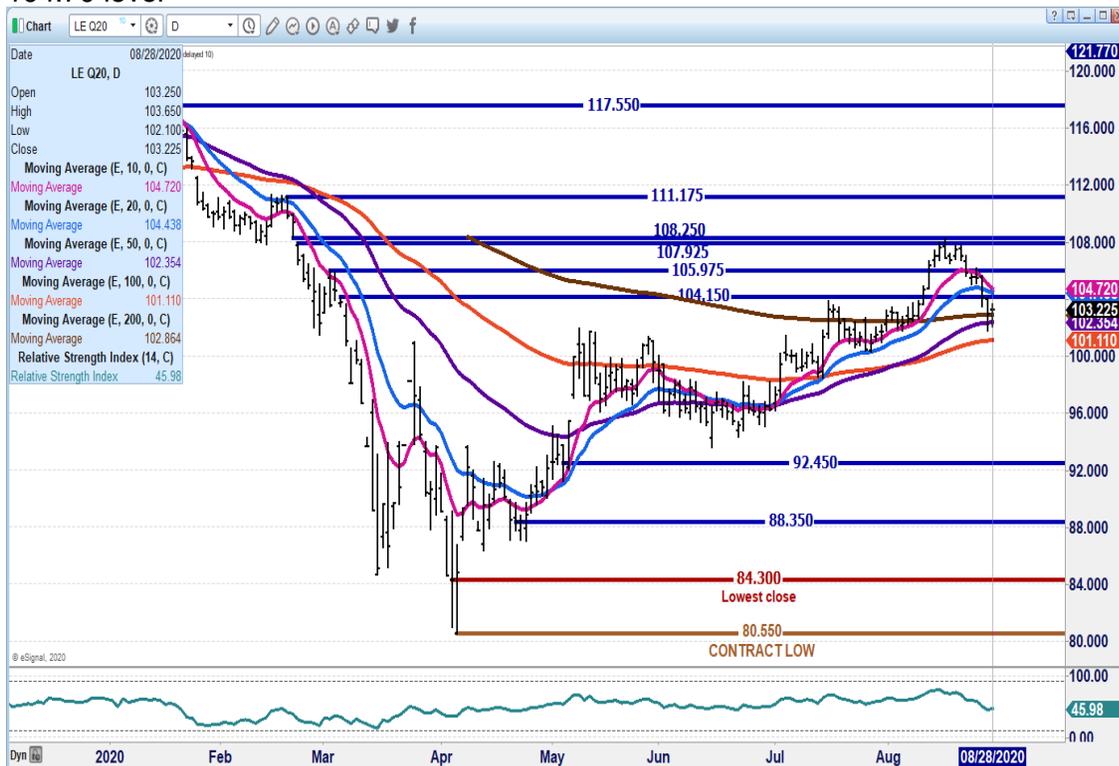
-----



Taiwan is dropping age restrictions on cattle and allowing ractopamine in pork. Both are positive to US meat and could allow more competition with Brazil's exports to Taiwan.

As of August 25th, dressed weights were 882.6 compared to previous week at 882.5 up .1 from week ago Compared to a year ago weights are 28 pounds over a year ago . Grading percent was 83.0% compared to previous week at 83.5%.

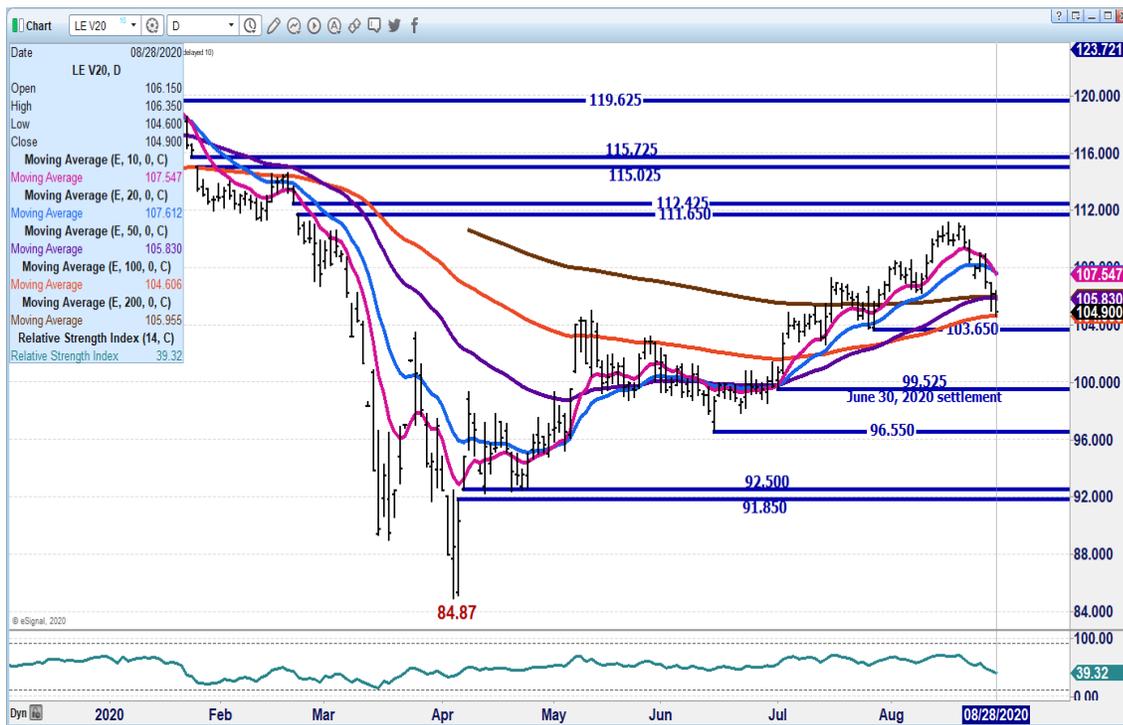
**AUGUST 2020 LIVE CATTLE – Last trading day. Should hold Friday's low and move up to 104.70 level**



**OCTOBER 2020 LIVE CATTLE – Dropped to 100 day moving average at 104.60, strong support. 103.65 needs to hold Resistance 105.87 to 107.57 Volume Friday 21,663**



ADM Investor Services, Inc.



## Feeder Cattle

THE CME FEEDER INDEX ON 08/27/2020 IS 141.56 DOWN 1.46 from previous day.  
AUGUST 2020 FEEDER CATTLE SETTLED AT 142.00 ON AUGUST 24, 2020.

=====

### NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 08/28/2020

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	156,200	38,700	280,300	475,200
LAST WEEK:	160,400	158,100	87,400	405,900
YEAR AGO:	150,400	58,600	211,800	420,800

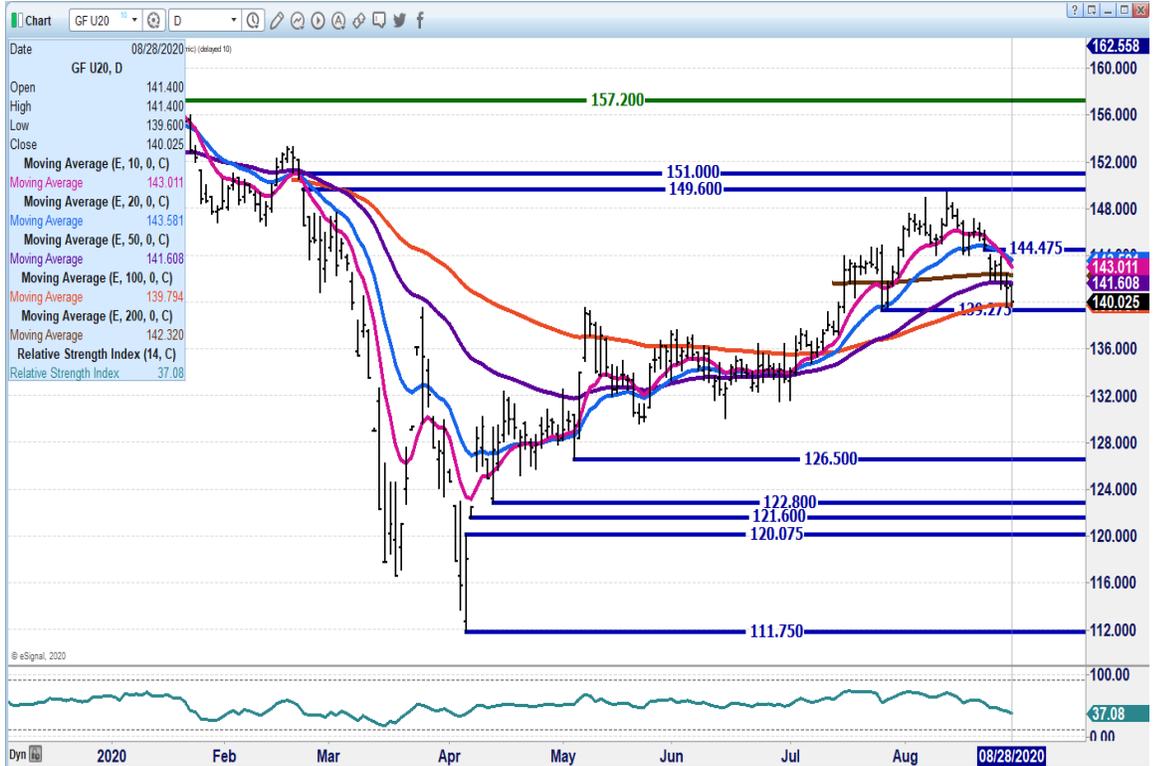
COMPARED TO LAST WEEK, STEERS AND HEIFERS SOLD STEADY TO 4.00 LOWER.  
LAST FRIDAY'S CATTLE ON FEED REPORT HAD JULY PLACEMENTS MARKED AT 111 PERCENT OF A YEAR AGO AND THE INDUSTRY STOOD UP AND TOOK NOTICE.

ADMIS.com | 312.242.7000 | Chicago | New York | London | Hong Kong | Singapore | Taipei | Shanghai

The information and comments contained herein is provided by ADM Investor Services, Inc. ("ADMIS") and NOT ADM. Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Research analyst does not currently maintain positions or have financial interest in the commodities specified within this report. Any reproduction or retransmission of this report without the express written consent of ADM Investor Services, Inc. is strictly prohibited. Again, the information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by ADM. Copyright © ADM Investor Services, Inc.



**SEPTEMBER 2020 FEEDER CATTLE - 139.27 NEEDS TO HOLD AS SUPPORT  
RESISTANCE AT 143.17 TO 144.47**



**LEAN HOGS**

**USDA ESTIMATED FEDERAL HOG SLAUGHTER**

AUGUST 28, 2020      481,000  
 WEEK AGO              476,000  
 YEAR AGO              470,000  
 SATURDAY 08/29/2020    276,000- A WEEK AGO 227,000 - YEAR AGO 82,000  
 WEEK TO DATE (EST)      2,664,000  
 SAME PERIOD LAST WEEK (EST)    2,618,000  
 SAME PERIOD LAST YEAR (ACT)    2,468,000  
 2020 YEAR TO DATE            84,954,000  
 2019 \*YEAR TO DATE          83,779,000  
 PERCENT CHANGE YEAR TO DATE 1.4% COMPARED TO A WEEK AGO 1.2% .



CME CASH HOG INDEX 08/26/2020 AT 57.12 UP 26 CENTS FROM PREVIOUS DAY.

CME CASH PORK CUTOUT INDEX 08/27/2020 AT 73.53 DOWN 59 CENTS FROM PREVIOUS DAY.

CME CASH FRESH BACON INDEX ON 8/21/2020 WAS 137.95 COMPARED TO 8/14/2020 WAS 140.79

=====

For the week carcass lost \$2.10, loins took off \$7.15 and hams off \$9.08. It isn't positive. There are growing global supplies but with cheap US Dollar pork sales are good.

=====

With August off the board, the usual chain of events in Lean Hogs is to see speculators take total control of the reigns. Use rallies as hedging opportunities.

=====

Year to date hog slaughter compared to a year ago is up 1.4%. Large Saturday slaughter is making up for processing that was down in the spring.

=====

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.

=====

### AUGUST 24, 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

August 28, 2020

LOADS OF PORK CUTS: 297.69

LOADS TRIM/PROCESSED PORK: 35.64

FINAL 8/28/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
08/28/2020	333.33	71.39	68.21	83.80	46.22	127.31	50.19	115.27
CHANGE :		-1.39	-4.53	0.49	4.11	1.73	-6.41	4.79
Five Day Average --		73.09	71.51	81.76	47.44	128.34	57.30	110.57



PREVIOUS WEEK  
FINAL 8/21/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
08/021/2020	323.08	73.51	75.36	80.14	49.45	129.00	59.27	103.19
CHANGE :		-2.57	4.71	4.10	0.27	1.50	-16.44	-1.46
Five Day Average --		74.64	72.91	77.50	50.06	127.33	67.32	104.84

=====

NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE  
Slaughter Data for AUGUST 27, 2020

Average carcass weight - 275.42  
Average live weight - 206.90

[https://www.ams.usda.gov/mnreports/ams\\_2511.pdf](https://www.ams.usda.gov/mnreports/ams_2511.pdf)

DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM AUGUST 28, 2020  
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES  
Carcass Base Price: \$38.00 - \$43.37  
Weighted Average: \$42.89  
Change from Prior Day: 0.24 higher  
HOGS SOLD: : 4,800

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)  
PRICE RANGE: \$38.42 - \$68.77  
Weighted Average \$54.40 **LAST FRIDAY \$54.39**  
HOGS SOLD: 178,828  
[https://www.ams.usda.gov/mnreports/lm\\_hq203.txt](https://www.ams.usda.gov/mnreports/lm_hq203.txt)

---

DECEMBER 2020 – FEBRUARY 2021 LEAN HOG SPREAD - Narrowing will be positive.  
Widening will be bearish. I look for narrowing



**OCTOBER 2020 LEAN HOGS – Gapped lower fell to 20 day moving average. next support that needs to hold is 52.20 Resistance 55.27**





**DECEMBER 2020 LEAN HOGS – Resistance at 56.97 Support at 54.37 to 53.40**



CHARTS FROM ESIGNAL INTERACTIVE, INC.

[Chris.Lehner@admis.com](mailto:Chris.Lehner@admis.com) 312.242.7942 913.787.6804