



Morning September 02, 2020 Livestock Report

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CATTLE

USDA FEDERAL SLAUGHTER

SEPTEMBER 01, 2020	120,000
WEEK AGO,	118,000
YEAR AGO,	114,000
WEEK TO DATE (EST)	239,000
SAME PERIOD LAST WEEK (EST)	235,000
SAME PERIOD LAST YEAR (ACT)	118,000

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	CHOICE	SELECT
BOXED BEEF FINAL	228.34	214.75
CHANGE FROM PRIOR DAY	0.39	(0.57)
CHOICE/SELECT SPREAD:		13.59
TOTAL LOAD COUNT		124
5 DAY SIMPLE AVERAGE:	230.00	214.16

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Based on negotiated prices and volume of boxed beef cuts delivered within 0-21 days and on average industry cutting yields. Values reflect U.S. dollars per 100 pounds

FINAL SEPTEMBER 01, 2020	CHOICE	SELECT
Primal Rib	369.09	336.93
Primal Chuck	181.17	180.62
Primal Round	181.24	181.65
Primal Loin	327.73	287.45
Primal Brisket	170.12	146.97
Primal Short Plate	143.30	143.30
Primal Flank	115.69	111.46



LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
08/31	39	10	11	14	73	227.95	215.32
08/28	73	12	20	10	114	229.40	214.86
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

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	60.54 loads	2,421,465 pounds
Select Cuts	19.58 loads	783,165 pounds
Trimmings	26.39 loads	1,055,495 pounds
Ground Beef	17.22 loads	688,854 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)

USDA POSTED CATTLE PRICES ON 9/01/2020

IA/MN –CASH 102.50 - 104.00 DRESSED 162.00 - 163.00
NE - CASH – 103.00 DRESSED : 163.00 - 164.00
KS – CASH – 103.00 - 104.00 DRESSED NO SALES
TX/OK/NM – 104.00
CO – CASH **Information not available due to confidentiality**

National Daily Direct Cattle SEPTEMBER 01, 2020
(5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1453	\$104.91	24,615
Live Heifer:	1301	\$104.80	15,958
Dressed Steer:	951	\$166.51	19,011
Dressed Heifer:	788	\$166.47	3,820



For week ending August 28th it is estimated Packer Profit Margins are over \$400/head. Packers are going to send as many cattle through slaughter as they can. Packers are pushing kill lines hard this week.

A week from now, packers will need showlist cattle for slaughter for the remainder of September. Monday is Labor Day and packers will use Saturday, September 12th to make up for cattle missed on Monday Labor Day.

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Tuesday early boxed beef sales higher with strength from middle meats the primal Chucks, Rounds, Briskets and Flanks.

It could be some hand to mouth grocery retailers short for upcoming Labor Day weekend for burgers and sausages, but we won't know until next week to see if middle meats continue to move higher. Heavier weight cattle don't seem to be affecting price. Beef market is filling needs of consumers that remained working during shut down and filling needs with lower valued products from fresh ground and processed products to canned meats.

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Wednesday the Fed Cattle Exchange has 436 head for 10:00AM sale. It appears feedlots are needing to use auction to sell contracted cattle as they were during slow down.

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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.

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As of September 1, dressed weights were 885.3 compared to previous week at 882.6 up 2.7 from week ago. Grading percent was 82.9% compared to previous week at 83.0%.

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OCTOBER 2020 LIVE CATTLE – Bouncing between 50 moving average on upside and 100 moving average on downside. Resistance at 106.00 to 106.85 Support 104.60 to 103.65



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DEC 2020 LIVE CATTLE – Upside resistance at 109.20 to 110.22 Support at 108.22 to 107.85



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Feeder Cattle

THE CME FEEDER INDEX ON 08/31/2020 IS 140.52 DOWN 43 from previous day.

SEPTEMBER 2020 FEEDER CATTLE SETTLEMENT ON SEPTEMBER 01, 2020 WAS \$140.65

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THE PLACEMENTS AT 111% ABOVE LAST YEAR GAVE BUYERS AN OPPORTUNITY TO BUY CATTLE CHEAPER LAST WEEK. HOWEVER, FEEDLOTS ARE MOVING CATTLE AS SOON AS THEY ARE READY AND NEED TO REPLACE THEM. THERE IS GOING TO BE MORE CORN IN IOWA CHOPPED OR BAILED THIS YEAR AND IF FEEDLOTS DIDN'T BUY, CONTRACT OR HEDGE FEED NEEDS WHEN CORN WAS PRICED BELOW \$3.00/BUSHEL I WOULD BE SURPRISED.

SEPTEMBER 2020 FEEDER CATTLE - SLOW TRADE. BUYERS ARE BUYING BUT USED COF TO BUY LOWER BUT NEED CATTLE 142.10 TO 144.42 SUPPORT AT 139.32





NOV 2020 FEEDER CATTLE - RESISTANCE AT 143.02 TO 143.02 SUPPORT 139.20



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

SEPTEMBER 01, 2020	480,000
WEEK AGO	484,000
YEAR AGO	475,000
WEEK TO DATE (EST)	956,000
SAME PERIOD LAST WEEK (EST)	953,000
SAME PERIOD LAST YEAR (ACT)	477,000

****REVISED MONDAY HOG SLAUGHTER, 476,000** PREVIOUS ESTIMATE WAS 486,000**

CME CASH HOG INDEX 08/28/2020 AT 56.60 DOWN 45 CENTS FROM PREVIOUS DAY.

CME CASH PORK CUTOUT INDEX 08/31/2020 AT 72.85 DOWN 29 CENTS FROM PREVIOUS DAY.



CME CASH FRESH BACON INDEX ON 08/28/2020 WAS 141.51 COMPARED TO 08/21/2020 WAS 137.95

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Pork movement moderately good movement with 413 loads on Tuesday compared to total movement on Monday at 310. 95 loads. Loins were up 6.54 in the morning and ended up strong gaining 6.19. Total cutout gained 1.92. Hams put on 2.93 with picnics keeping trade from being up harder falling 6.56. Bellies up fractionally up 33 cents. Butts up 6 cents and ribs remaining strong up 1.61 down 8.16 held market in check.

Packers are making good money. The question is will they share profits. For now the answer is likely yes. They are pulling hogs to kill with lowering weights and want to fill shackles. Dollar is cheap encouraging exports. Taiwan dropping Ractopamine on US pork is positive. Look for Mexico to be continued consistent buyer. China will buy US pork but currently don't see big purchases but being a regular buyer. Argentina slowing building pork supplies. China has halted several plants in Brazil from exporting pork. Nothing super bullish in pork exports but right now good news especially cheap US Dollar for exports.

Need to monitor weights. Falling weights show packers want hogs.

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I feel hog numbers will drop over next two to three months before rebuilding late 2020 into 2021. Could see 2% to 4% decline due to sows aborted and not bred during March 2020 through early May 2020.

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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.

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SEPTEMBER 01, 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

SEPTEMBER 01, 2020

LOADS OF PORK CUTS: 386.55

LOADS TRIM/PROCESSED PORK: 26.66

FINAL 9/01/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/01/2020	413.21	74.54	74.52	83.43	45.92	130.24	56.45	116.84
CHANGE :		1.92	6.19	0.06	-6.56	1.61	2.93	0.33
Five Day Average --		72.65	70.48	83.19	47.01	126.60	54.55	113.86



FINAL 8/31/2020

Date	Loas	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
08/31/2020	310.95	72.62	68.33	83.37	52.48	128.63	53.52	116.51
CHANGE :		0.12	-0.43	6.26	1.32	3.33	1.24	1.24
Five Day Average --		72.70	70.71	82.68	47.95	127.46	54.82	112.62

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NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE
Slaughter Data for AUGUST 31, 2020

Average carcass weight - 275.37
Average live weight - 206.61

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

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DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM September 1, 2020
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES
Carcass Base Price: \$38.00 - \$43.50
Weighted Average: \$43.03
Change from Prior Day: unchanged
HOGS SOLD: 5,546

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)
PRICE RANGE: \$38.42 - \$68.19
Weighted Average \$55.63 PREVIOUS DAY \$55.46
HOGS SOLD: 156,888

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



DEC 2020 – FEBRUARY 2021 LEAN HOG SPREAD Narrow is bullish. Widening is bearish



OCTOBER 2020 LEAN HOGS - Resistance is 55.27 to 56.37 Support at 53.25 to 53.37



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DECEMBER 2020 LEAN HOGS – Support at 54.50 to 53.60 Resistance is 56.97



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