



## Morning September 09, 2020 Livestock Report

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### SEPTEMBER 2020 LIVESTOCK REPORTS

**COLD STORAGE REPORT – TUESDAY, SEPTEMBER 22, 2020 2:00PM US CENTRAL TIME**

**HOGS AND PIGS REORT – THURSDAY SEPTEMBER 24, 2020 2:00PM US CENTRAL TIME**

**CATTLE ON FEED REPORT – FRIDAY, SEPTEMBER 25, 2020 2:00PM US CENTRAL TIME**

### CATTLE

**USDA FEDERAL SLAUGHTER Monday**  
**SEPTEMBER 08, 2020** 3,000  
**WEEK AGO,** 119,000  
**YEAR AGO,** 117,000

**USDA FEDERAL SLAUGHTER**  
**SEPTEMBER 01, 2020** 118,000  
**WEEK AGO,** 120,000  
**YEAR AGO,** 118,000  
**WEEK TO DATE (EST)** 121,000  
**SAME PERIOD LAST WEEK (EST)** 239,000  
**SAME PERIOD LAST YEAR (ACT)** 235,000

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|                                   | <b>CHOICE</b> | <b>SELECT</b> |
|-----------------------------------|---------------|---------------|
| <b>BOXED BEEF FINAL 9/09/2020</b> | 224.82        | 208.46        |
| <b>CHANGE FROM PRIOR DAY</b>      | (1.03)        | (0.84)        |
| <b>CHOICE/SELECT SPREAD:</b>      |               | 16.36         |
| <b>TOTAL LOAD COUNT</b>           |               | 130           |
| <b>5 DAY SIMPLE AVERAGE:</b>      | 227.39        | 213.14        |

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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

|                                 | <b>CHOICE</b> | <b>SELECT</b> |
|---------------------------------|---------------|---------------|
| <b>FINAL SEPTEMBER 08, 2020</b> |               |               |
| Primal Rib                      | 378.32        | 340.35        |
| Primal Chuck                    | 175.01        | 169.90        |
| Primal Round                    | 174.16        | 177.51        |



|                    |        |        |
|--------------------|--------|--------|
| Primal Loin        | 323.07 | 275.34 |
| Primal Brisket     | 169.62 | 150.39 |
| Primal Short Plate | 141.79 | 141.79 |
| Primal Flank       | 114.34 | 109.32 |

|                          |        |        |
|--------------------------|--------|--------|
| FINAL SEPTEMBER 04, 2020 | CHOICE | SELECT |
| Primal Rib               | 379.70 | 337.86 |
| Primal Chuck             | 176.83 | 173.02 |
| Primal Round             | 174.68 | 176.21 |
| Primal Loin              | 324.33 | 277.86 |
| Primal Brisket           | 170.34 | 149.06 |
| Primal Short Plate       | 141.62 | 141.62 |
| Primal Flank             | 112.32 | 110.49 |

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LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS

| Date  | Choice | Select | Trim | Grinds | Total | CHOICE  | SELECT  |
|-------|--------|--------|------|--------|-------|---------|---------|
|       |        |        |      |        |       | 600-900 | 600-900 |
| 09/04 | 62     | 9      | 12   | 25     | 108   | 225.85  | 209.30  |
| 09/03 | 90     | 25     | 9    | 23     | 148   | 227.24  | 212.50  |
| 09/02 | 53     | 19     | 26   | 16     | 114   | 227.58  | 213.82  |
| 09/01 | 61     | 20     | 26   | 17     | 124   | 228.34  | 214.75  |
| 08/31 | 39     | 10     | 11   | 14     | 73    | 227.95  | 215.32  |
| 08/28 | 73     | 12     | 20   | 10     | 114   | 229.40  | 214.86  |

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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 | 73.13 loads | 2,925,030 pounds |
| Select Cuts | 27.83 loads | 1,113,304 pounds |
| Trimming    | 4.92 loads  | 196,985 pounds   |
| Ground Beef | 24.28 loads | 971,166 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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USDA POSTED CATTLE PRICES ON 9/08/2020

IA/MN –CASH NO CASH SALES DRESSED 161.00 ON 38 HEAD  
NE - CASH – NO CASH SALES : NO DRESSED SALES  
KS – CASH – NO CASH SALES : NO DRESSED SALES



TX/OK/NM – NO CASH SALES : NO DRESSED SALES  
 CO – NO CASH SALES : NO DRESSED SALES \*\*

National Daily Direct Cattle SEPTEMBER 08, 2020  
 (5 day accumulated weighted avg)

|                 | Weight | Price    | Head   |
|-----------------|--------|----------|--------|
| Live Steer:     | 1459   | \$103.08 | 29,516 |
| Live Heifer:    | 1313   | \$102.90 | 13,870 |
| Dressed Steer:  | 951    | \$163.05 | 15,182 |
| Dressed Heifer: | 852    | \$162.93 | 4,758  |

Seasonally during September cattle prices drift sideways. Traditionally the three big summer cookout holidays, Memorial Day, July 4<sup>th</sup> and Labor Day, are over and people in the northern parts of North America put grills in the garage. Also school expenses tighten consumer belts. But 2020 is far from a seasonal year and it was noticeable in August there is a two tiered consumer meat buying. There are the consumers that didn't stop working and there are the consumers that either lost their jobs or moved to new positions where they had pay cuts. August showed there were people eating steak and people eating ground beef.

Going into September and October consumer beef buying preferences probably won't change. High priced cuts are moving, and low end cuts are moving but not as fast. But all beef is being sold.

On August 4<sup>th</sup>, Choice boxed beef settled at \$204.24 and Select beef settled at \$190.00. Choice Primal Rib Sections were \$339.64 and Select primal Loins were \$276.76. Choice ribs now are \$38.68 higher. Last month Choice Chucks were \$162.55 and now they are \$12.46 higher than a month ago..

The spread between Choice and Select is wide. A wide spread is usually positive. Depending on cattle available for slaughter past October will likely be different. The demand late November and December for holidays will see the same type of buying as it is now. The pickup in Demand during the December holiday season will not be as strong as a year ago. There won't be office holiday parties and consumers watching their grocery budgets now will continue to buy as they are now.

Packers are pushing cattle through the plant with big profits. Although the cutout has dropped from last week's highs by over \$7.00, packers still have big profits. This week packers are still using their own cattle and September contract cattle but next week packers will need cattle for the last two weeks of Septembers kill. Showlists are light. If packers want to keep plants full, they will need to buy cattle this week. Trade will assume because Monday plants were dark that



packers will use one less day of kill to buy cattle lower but look for big Saturday kills especially September 12<sup>th</sup> through end of the month.

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%.

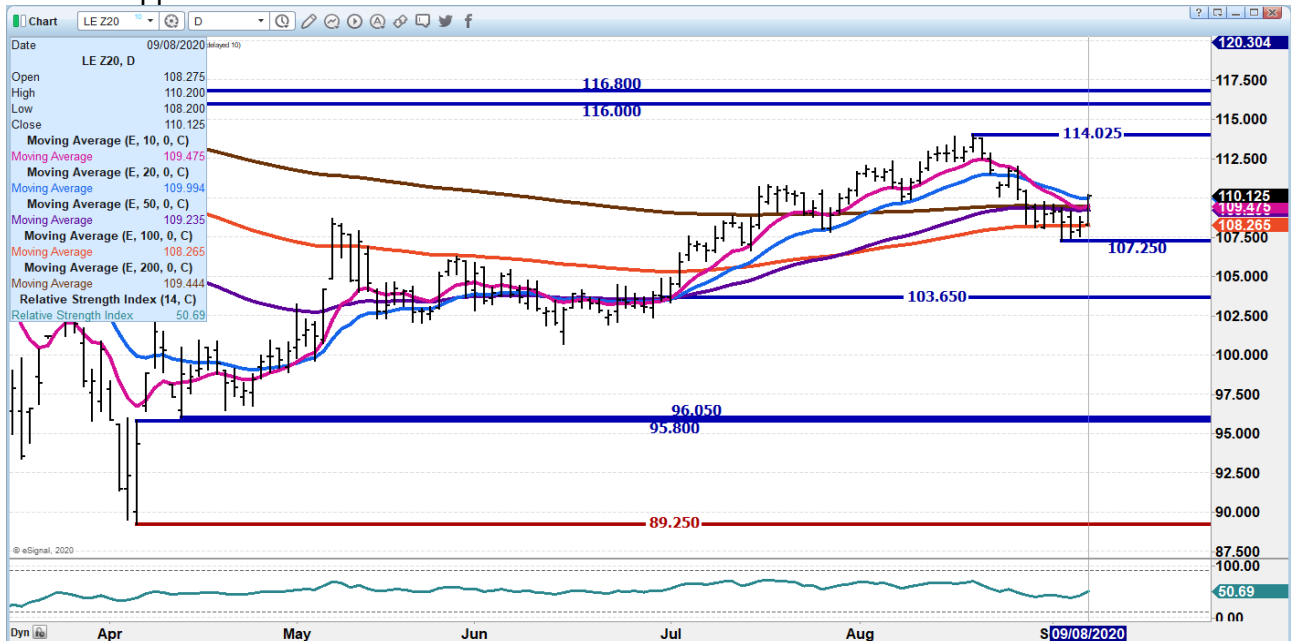
OCTOBER 2020/DECEMBER 2020 LIVE CATTLE SPREAD - SPREAD IS WIDE. NORMALLY IT IS BEARISH.



OCTOBER 2020 LIVE CATTLE – Support is clear at 104.62 to 103.65. A close under 103.65 sets up for downside move. Resistance is 106.00 to 108.97. Volume Tuesday was 30,851



**DECEMBER 2020 LIVE CATTLE – Closed above all moving averages. Next resistance is 112.00 Support 108.25 to 107.25**





**FEBRUARY 2021 LIVE CATTLE – Closed above all moving averages. Next resistance at 116.52 Support 111.37**



## Feeder Cattle

THE CME FEEDER INDEX ON 09/04/2020 WAS 139.05 DOWN 1.15 FROM PREVIOUS DAY.

SEPTEMBER 2020 FEEDER CATTLE SETTLEMENT ON SEPTEMBER 08, 2020 WAS \$139.95

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## NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 09/04/2020

| RECEIPTS:  | Auctions | Direct | Video/Internet | Total   |
|------------|----------|--------|----------------|---------|
| THIS WEEK: | 160,800  | 27,900 | 5,200          | 193,900 |
| LAST WEEK: | 156,200  | 38,700 | 280,300        | 475,200 |
| YEAR AGO:  | 106,800  | 58,100 | 14,700         | 179,600 |

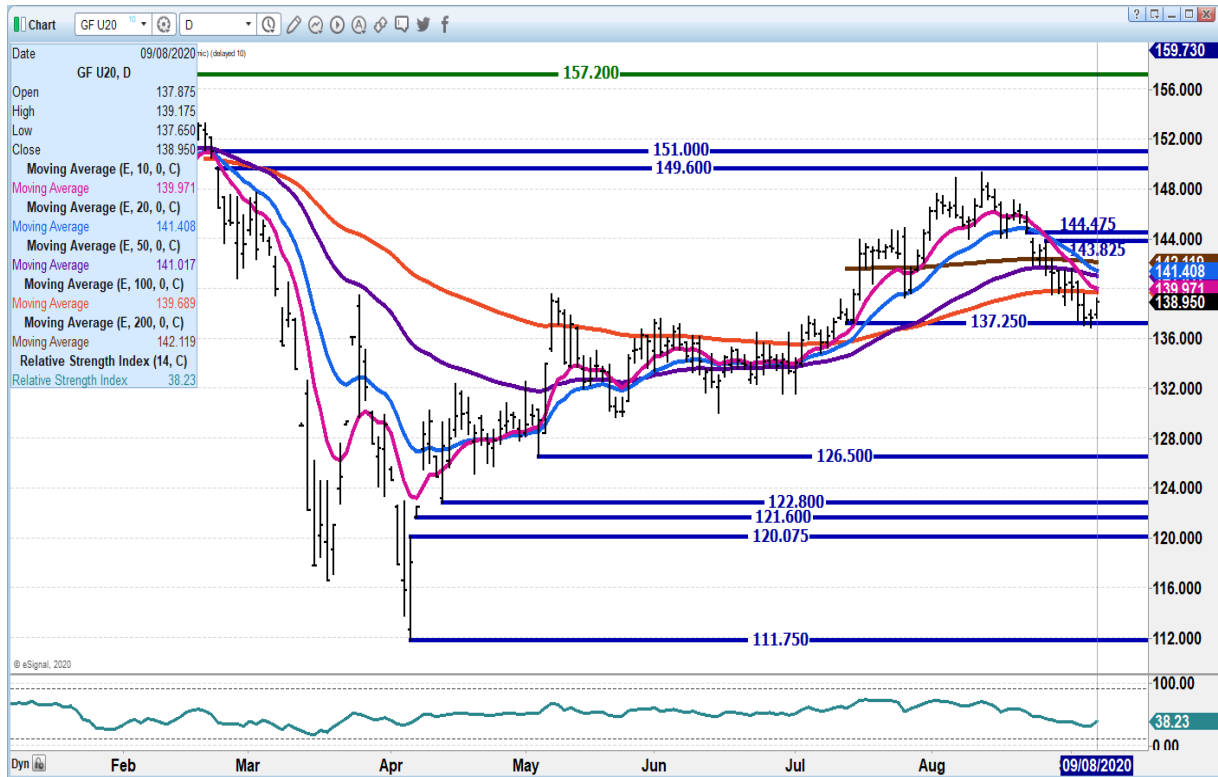


COMPARED TO LAST WEEK, STEERS AND HEIFERS SOLD 1.00 TO 5.00 LOWER. THE CME CATTLE AGAIN THIS WEEK, WAS WEAKER AND HAS BEEN PULLING THE CASH PRICES FOR FEEDERS AND FED CATTLE LOWER, WITH THE MOST DRAWBACK ON THE FRONT MONTH CONTRACTS. AROUND THE LABOR DAY HOLIDAY, MANY AUCTIONS PROCEED TO HAVE CUSTOMER APPRECIATION SALES.

[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/SJ\\_LS850.TXT](https://www.ams.usda.gov/mnreports/SJ_LS850.TXT)

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SEPTEMBER 2020 FEEDER CATTLE – SUPPORT AT 137.25 RESISTANCE AT 139.97 TO 144.47



NOVEMBER 2020 FEEDER CATTLE - SUPPORT AT 138.52 RESISTANCE AT 141.37 TO 142.65



ADM Investor Services, Inc.



## LEAN HOGS

### USDA ESTIMATED FEDERAL HOG SLAUGHTER - MONDAY

|                    |         |
|--------------------|---------|
| SEPTEMBER 07, 2020 | 6,000   |
| WEEK AGO           | 476,000 |
| YEAR AGO           | 487,000 |

\*\*REVISED FRIDAY HOG SLAUGHTER..451,000 PREVIOUS 460,000

\*\*NEW SATURDAY WEEK TO DATE 2,475,000\*\* PREVIOUS ESTIMATE 2,484,000

### USDA ESTIMATED FEDERAL HOG SLAUGHTER – TUESDAY

|                             |         |
|-----------------------------|---------|
| SEPTEMBER 08, 2020          | 474,000 |
| WEEK AGO                    | 475,000 |
| YEAR AGO                    | 492,000 |
| WEEK TO DATE (EST)          | 480,000 |
| SAME PERIOD LAST WEEK (EST) | 951,000 |

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SAME PERIOD LAST YEAR (ACT) 979,000

CME CASH HOG INDEX 09/03/2020 AT 58.13 UP 51 CENTS FROM PREVIOUS DAY.

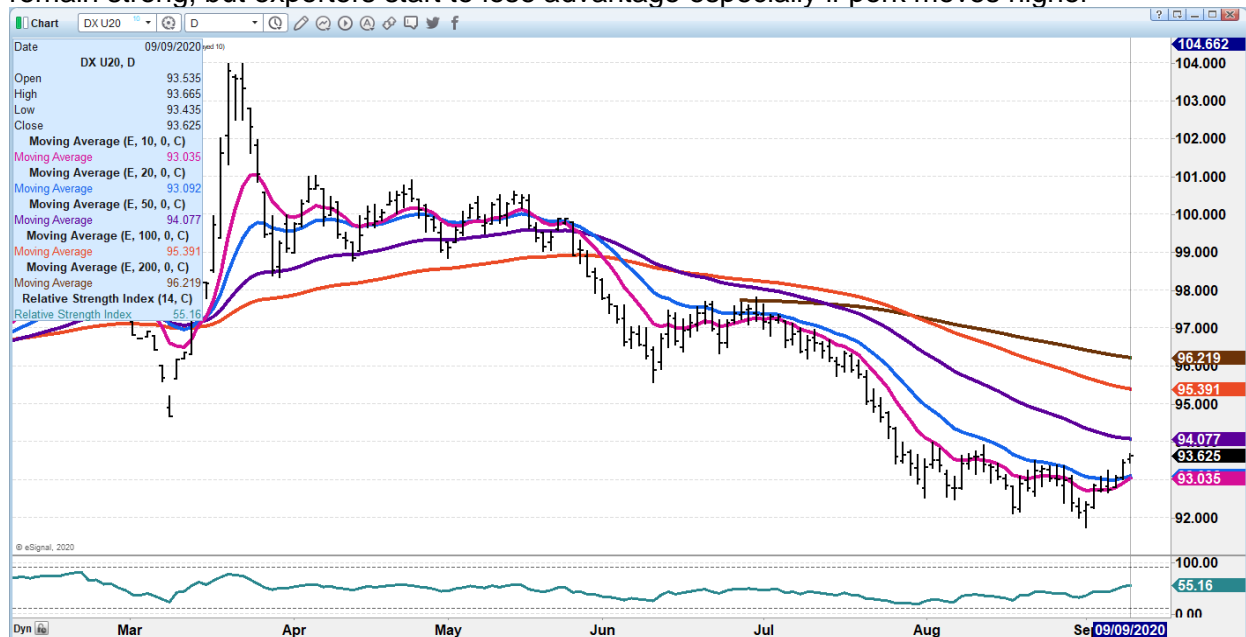
CME CASH PORK CUTOUT INDEX 09/04/2020 AT 76.15 UP 1.72 FROM PREVIOUS DAY.  
UP \$3.10 IN 2 DAYS

CME CASH FRESH BACON INDEX ON 09/04/2020 WAS 151.77 COMPARED TO 08/28/2020  
WAS 141.51

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Pork carcass started out after Labor Day break with strong early gains up \$6.52 in the morning but by the afternoon sales hams reversed off morning gains and closed lower and carcass was up only 35 cents.. Hams were on fire up 14.58 early Monday after last week's total gain of 35.66 but by the afternoon hams were down \$6.92. A month ago on August 4<sup>th</sup>, hams settled at 39.97, so by Tuesday's close they were \$78.93 . Hams in the morning were \$100.43 and settled at \$78.93 on Tuesday. It could be exporters and wholesalers have filled orders and reversal of US Dollar and higher pork will weigh on ham and pork prices.

US Dollar Index as of 7:05AM 9/09/2020 – Weak US Dollar has been a big reason for strong pork exports. The question is: has it bottomed? However, it is still cheap, and exports should remain strong, but exporters start to lose advantage especially if pork moves higher





U.S. Dollar is cheap and good incentive for strong exports. The Mid-Autumn Festival in China begins October 1<sup>st</sup> and is the second biggest holiday in China next to the Chinese New Year. Although China is not 100% open, this year the Mid-Autumn Festival is expected to be large because it is the first holiday where people can travel and traveling for “reunions” and Thanksgiving is what it is all about. Reunions are the time there is a dinner for immediate and extended families. Crab, pork and duck are often served along with cakes representing the full moon. Last year during the New Year celebration traveling was not allowed. This year the Mid-Autumn Festival is expected to see heavy travel and big family dinners. Recently, China has been moving pork, beef and lamb from storage. Recent big exports could be re-stocking coolers

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

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**SEPTEMBER 08, 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 08, 2020**

LOADS OF PORK CUTS: 351.70

LOADS TRIM/PROCESSED PORK: 28.33

**FINAL 9/08/2020**

| Date                | Loads  | Carcass | Loin  | Butt  | Pic   | Rib    | Ham   | Belly  |
|---------------------|--------|---------|-------|-------|-------|--------|-------|--------|
| 09/04/2020          | 380.04 | 80.91   | 73.08 | 78.86 | 49.37 | 124.85 | 78.93 | 126.85 |
| CHANGE :            |        | 0.35    | 4.71  | -1.59 | 0.21  | -0.23  | -6.92 | 7.74   |
| Five Day Average -- |        | 77.94   | 69.88 | 81.08 | 47.85 | 125.62 | 72.55 | 121.75 |

**NOON 9/08/2020**

| Date                | Loads  | Carcass | Loin  | Butt  | Pic   | Rib    | Ham    | Belly  |
|---------------------|--------|---------|-------|-------|-------|--------|--------|--------|
| 09/04/2020          | 179.32 | 87.08   | 74.89 | 77.73 | 51.16 | 129.69 | 100.43 | 127.55 |
| CHANGE :            |        | 6.52    | 6.52  | -2.72 | 2.00  | 4.61   | 14.58  | 8.44   |
| Five Day Average -- |        | 79.18   | 70.24 | 80.85 | 48.21 | 126.59 | 76.85  | 121.89 |

**FINAL 9/04/2020**

| Date                | Loads  | Carcass | Loin  | Butt  | Pic   | Rib    | Ham   | Belly  |
|---------------------|--------|---------|-------|-------|-------|--------|-------|--------|
| 09/04/2020          | 316.46 | 80.56   | 68.37 | 80.45 | 49.16 | 125.08 | 85.85 | 119.11 |
| CHANGE :            |        | 0.37    | -0.91 | -0.67 | 1.79  | 6.85   | 5.69  | -7.60  |
| Five Day Average -- |        | 76.28   | 68.93 | 81.98 | 48.47 | 126.38 | 67.46 | 119.68 |

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**NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE  
 SLAUGHTER DATA FOR SEPTEMBER 4, AND SEPTEMBER 7 2020**



Average carcass weight - 276.40  
Average live weight - 207.36  
[https://www.ams.usda.gov/mnreports/ams\\_2511.pdf](https://www.ams.usda.gov/mnreports/ams_2511.pdf)

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DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM September 8, 2020  
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES  
Carcass Base Price: \$40.00 - \$47.00  
Weighted Average: \$45.56  
Change from Prior Day: 0.37 lower  
HOGS SOLD: **3,657**

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)  
PRICE RANGE: \$38.42 - \$76.13  
Weighted Average \$59.99 PREVIOUS DAY \$59.39  
HOGS SOLD: **184,803**

[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 - Could continue to narrow to at least \$3.00 under





**OCT 2020 LEAN HOGS - 60.15 Resistance to 62.70 Support at 57.15 to 56.87 Vol 29, 292**



**DECEMBER 2020 LEAN HOGS – Resistance 58.87 Support 56.80**



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