



Morning September 15, 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

SEPTEMBER 14, 2020	120,000
WEEK AGO,	3,000
YEAR AGO,	119,000

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	CHOICE	SELECT
BOXED BEEF FINAL 9/14/2020	217.21	207.76
CHANGE FROM PRIOR DAY	(2.68)	0.66
CHOICE/SELECT SPREAD:		19.45
TOTAL LOAD COUNT		149
5 DAY SIMPLE AVERAGE:	222.87	207.94

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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 14, 2020

Primal Rib	364.36	335.79
Primal Chuck	175.64	174.72
Primal Round	171.74	172.70
Primal Loin	300.84	273.89
Primal Brisket	166.03	160.27
Primal Short Plate	134.84	134.84
Primal Flank	106.37	102.86



FINAL SEPTEMBER 11, 2020

Primal Rib	368.61	337.47
Primal Chuck	176.94	170.53
Primal Round	174.21	173.93
Primal Loin	305.53	275.60
Primal Brisket	166.65	151.87
Primal Short Plate	135.80	135.80
Primal Flank	111.26	105.92

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LOAD COUNT AND CUTOUT VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
09/11	79	16	56	14	164	219.89	207.10
09/10	114	36	18	29	198	220.83	207.32
09/09	114	32	25	14	186	222.95	207.51
09/08	73	28	5	24	130	224.82	208.46
09/04	62	9	12	25	108	225.85	209.30
09/03	90	25	9	23	148	227.24	212.50

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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	94.42 loads	3,776,870 pounds
Select Cuts	19.03 loads	761,148 pounds
Trimmings	18.27 loads	730,807 pounds
Ground Beef	17.32 loads	692,700 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 9/14/2020

IA/MN –CASH NO SALES DRESSED NO SALES
NE - CASH – NO SALES DRESSED NO SALES
KS – CASH – NO SALES NO DRESSED SALES
TX/OK/NM – NO SALES
CO – **Information not available due to confidentiality**



National Daily Direct Cattle SEPTEMBER 14, 2020
(5 day accumulated weighted avg)

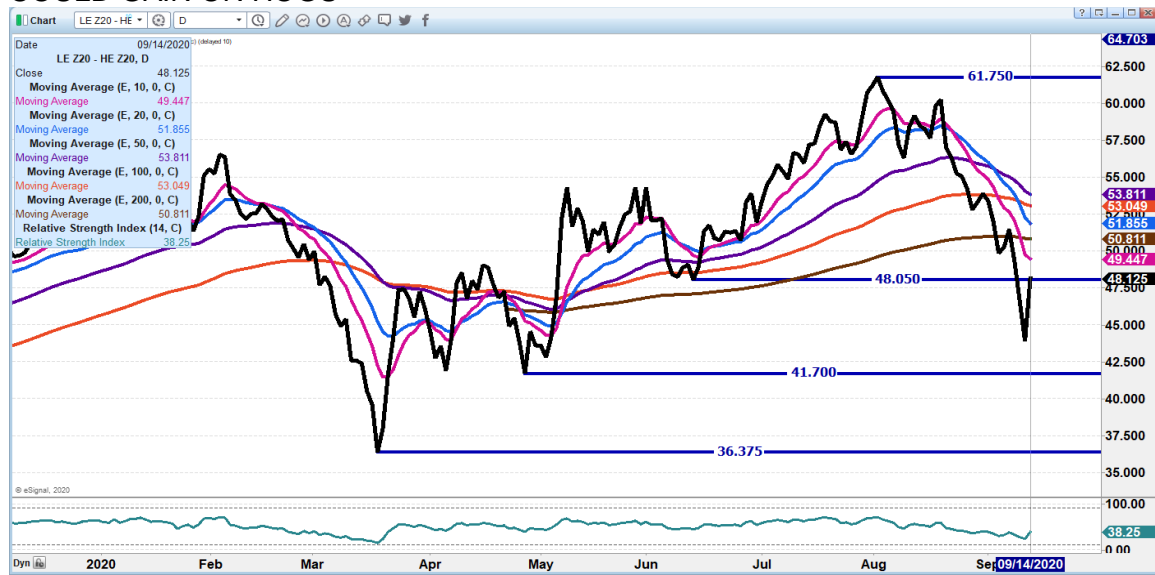
	Weight	Price	Head
Live Steer:	1453	\$101.28	23,080
Live Heifer:	1317	\$100.95	14,486
Dressed Steer:	964	\$160.69	17,725
Dressed Heifer:	876	\$160.47	4,843

Beef prices down Monday on fairly good movement especially Choice beef. Primal ribs and primal loins are the main reason for the lower beef prices. Lower boxed beef markets in September are normal.

Packer profit margins aren't going to allow packers to pass up cattle. Packers need to finish buying for Saturday and for next week. Boxed beef has dropped over the past two plus weeks but so have cattle, so packers are still making big bucks. It is the feedlots that sell on the showlists that were hurt by lower prices, not the packers that write the checks for the cattle.

As of September 9TH, dressed weights were 888.9 compared to previous week at 885.3 up 3.6 from week ago and 27 pounds over a year ago. Grading percent was 82.6% compared to previous week at 82.9%.

DECEMBER 2020 LIVE CATTLE/DECEMBER 2020 LEAN HOG SPREAD - ONE DAY CAN'T SAY SPREAD HAS REVERSED BUT IT IS NARROW. GOING INTO OCTOBER CATTLE COULD GAIN ON HOGS

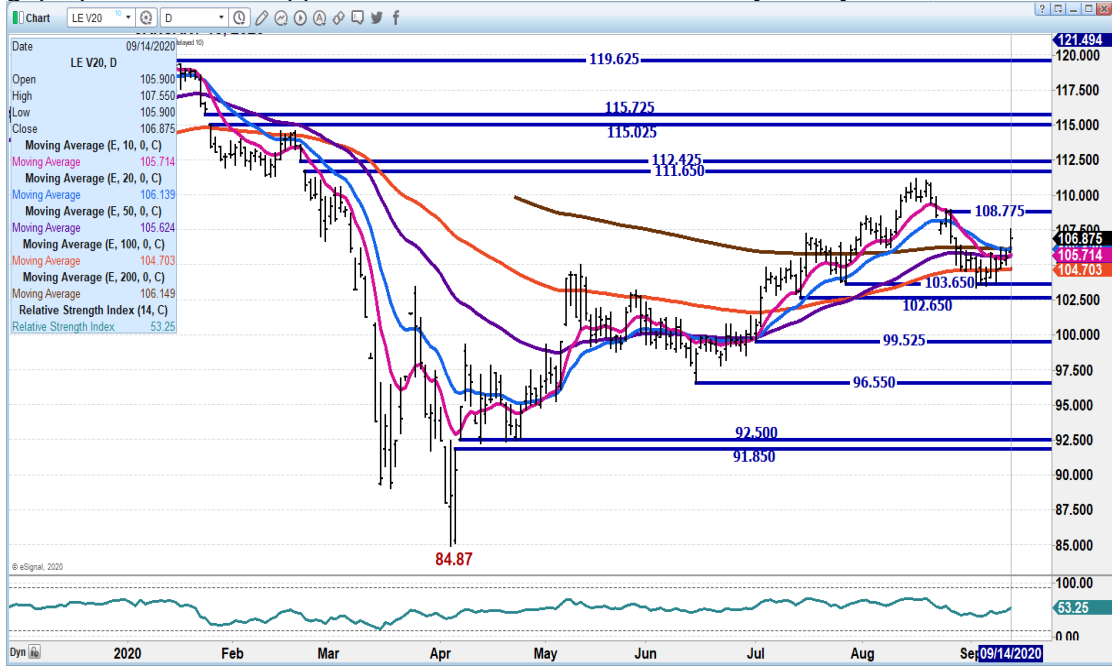




DECEMBER 2020/DFEBRUARY 2020 LIVE CATTLE SPREAD - SPREAD HAS BEEN WIDE AND NARROWING TO HAVE DEC 3.00 UNDER FEB IS NOT OUT OF THE QUESTION



OCTOBER 2020 LIVE CATTLE – Closed above all moving averages. Resistance 108.77 to gap up to 112.45 Support 105.75 to 103.65 Volume fairly heavy at 38,589

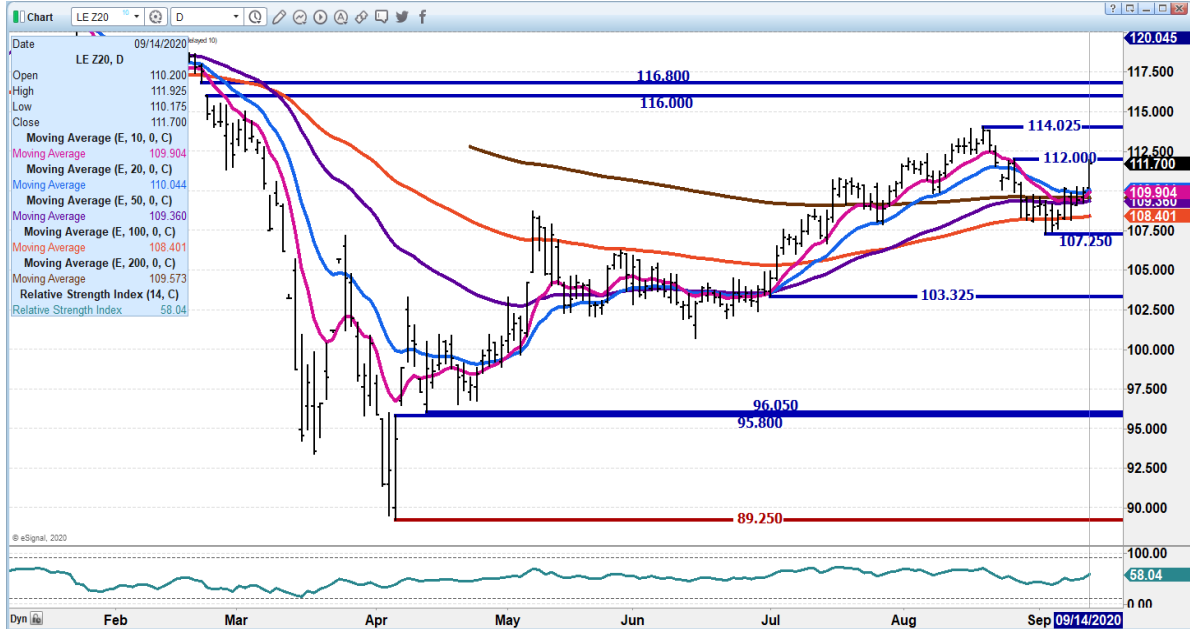


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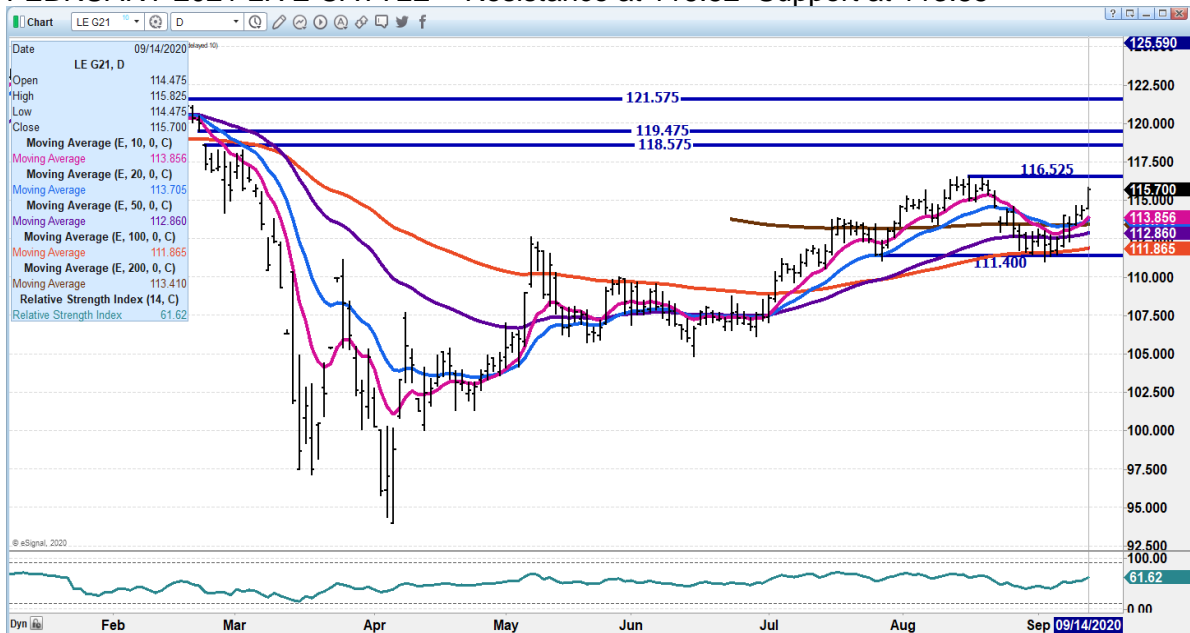
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DEC 2020 LIVE CATTLE – Volume strong at 39,577 Resistance 112,00 to 114.02 Support 109.87 to 108.37



FEBRUARY 2021 LIVE CATTLE – Resistance at 116.52 Support at 113.85



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Feeder Cattle

THE CME FEEDER INDEX ON 09/11/2020 WAS 141.45 UP 46 CENTS FROM PREVIOUS DAY. SEPTEMBER 2020 FEEDER CATTLE SETTLEMENT ON SEPTEMBER 14, 2020 WAS \$141.50

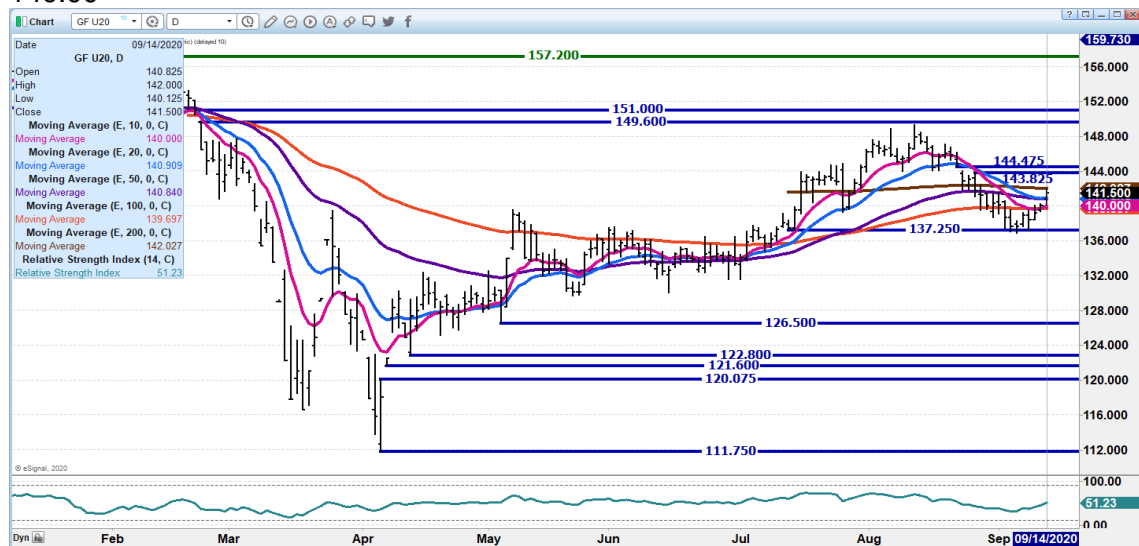
NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 09/11/2020

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	119,800	24,000	68,200	212,000
LAST WEEK:	160,800	27,900	5,200	193,900
YEAR AGO:	176,400	73,500	122,000	371,900

COMPARED TO LAST WEEK, STEERS AND HEIFERS SOLD UNEVEN; 2.00 LOWER TO 2.00 HIGHER. DEMAND FOR YEARLINGS COMING OFF GRASS IS GOOD TO VERY GOOD, WITH THE DEMAND FOR CALVES BEING MODERATE AT THIS POINT IN THE CALENDAR YEAR.

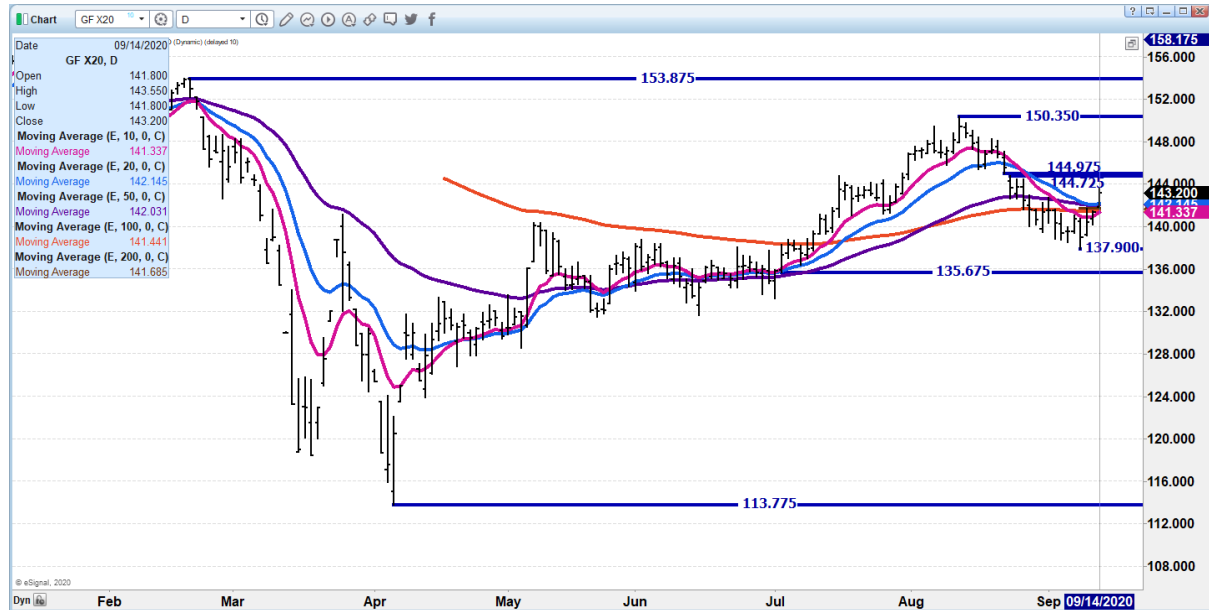
FEEDERS SHOULD BEGIN TO WORK HIGHER INTO THE FALL AND 2021. MIDWEST FEEDLOTS ARE CURRENT AND NEED CATTLE TO REFILL PENS.

SEPTEMBER 2020 FEEDER CATTLE – RESISTANCE 142.05 TO 144.42 SUPPORT AT 140.00





NOVEMBER 2020 FEEDER CATTLE - SUPPORT 141.30. RESISTANCE AT 144.97



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER – TUESDAY

SEPTEMBER 14, 2020	486,000
WEEK AGO	6,000
YEAR AGO	490,000

****REVISED SATURDAY HOG SLAUGHTER..403,000 PREVIOUS ESTIMATE 415,000**

NEW WEEK TO DATE..2,323,000 PREVIOUS ESTIMATE 2,335,000**

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CME CASH HOG INDEX 09/10/2020 AT 63.28 UP .84 FROM PREVIOUS DAY -

CME CASH PORK CUTOUT INDEX 09/11/2020 AT 80.74 UP 20 CENTS FROM PREVIOUS DAY. UP \$8.09 IN 5 DAYS

CME CASH FRESH BACON INDEX ON 09/11/2020 WAS 163.42 COMPARED TO 09/04/2020 WAS 151.77

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China bans German pork imports after African swine fever case

<https://www.reuters.com/article/us-germany-swinefever-china/china-bans-german-pork-imports-after-african-swine-fever-case-idUSKBN2630H0>

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Is China really worried about German pork contaminating their hogs with African Swine Fever?

I seriously doubt it. First of all the European Union sells as a group and Germany is just one country that sells pork to China? Pork from the EU is also raised in the Netherlands, Spain, and Portugal where China hasn't banned pork.

There is also pork exported from Brazil to China and exports to China are breaking records month after month.

But maybe more importantly China has been rebuilding it's own inventory. In July, China's herd grew by 13.1% year on year in July. It was the 6th month in a row hog growth in China increased. Also in July breeding sows increased by a whopping 20.3 percent year on year.

Of course there is the record sales the first quarter to China from the U.S and sales since April.

China poultry numbers have grown exponentially over the past year.

In 2020 China has been building inventory in Viet Nam, and countries surrounding China. As you may recall, a year ago China invested billions to increase hog inventory.

Add one and one for the reason China broke records buying Brazilian soybeans this past year and why they have become active buyers of US grains and oil seeds.

China is not going to let the problems of African Swine Fever and the two month shutdown because of COVID 19 disrupt pork, beef, lamb, fish or poultry happen again. COFCO Meats has been given much more importance and financing.

Will China buy US pork? Yes, but when the price is right and on their terms.

Taking fewer tails, head meat and pork feet from Germany isn't going to make China suddenly switch to the US for long term quantities of pork.

The US pork industry has to make sure Mexico and Japan remain strong buyers and when China buys, it's a plus.

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SEPTEMBER 14, 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 14, 2020

LOADS OF PORK CUTS: 280.31

LOADS TRIM/PROCESSED PORK: 32.45

FINAL 9/14/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/14/2020	312.76	79.71	70.00	77.96	55.61	124.69	67.46	134.87
CHANGE :		-1.54	-2.07	-0.71	.58	2.62	-6.10	1.58
Five Day Average --		80.57	70.53	78.31	54.02	123.55	73.80	131.62

NOON 9/14/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/14/2020	169.78	81.42	69.52	78.38	55.90	124.35	72.03	141.03
CHANGE :		0.17	-2.55	-0.29	0.87	2.28	-1.53	7.74
Five Day Average --		80.91	70.44	78.39	54.08	123.48	74.71	132.85

FINAL 9/11/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/11/2020	347.47	81.25	72.07	78.67	55.03	122.07	73.56	133.29

(POSTING LAST WEEK'S SETTLEMENT PRICES FOR REFERENCE DUE TO WIDE FLUCTUATIONS FROM MORNING SALES TO AFTERNOON SALES AS WELL AS DAY TO DAY PRICE VOLATILITY)

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NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE SLAUGHTER DATA FOR SEPTEMBER 11 AND 12, 2020

Average carcass weight - 279.60

Average live weight - 209.41

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

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DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM September 14, 2020 NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES



Carcass Base Price: \$45.00 - \$64.00
 Weighted Average: \$57.84
 Change from Prior Day: 4.94 higher
 HOGS SOLD: 9,607

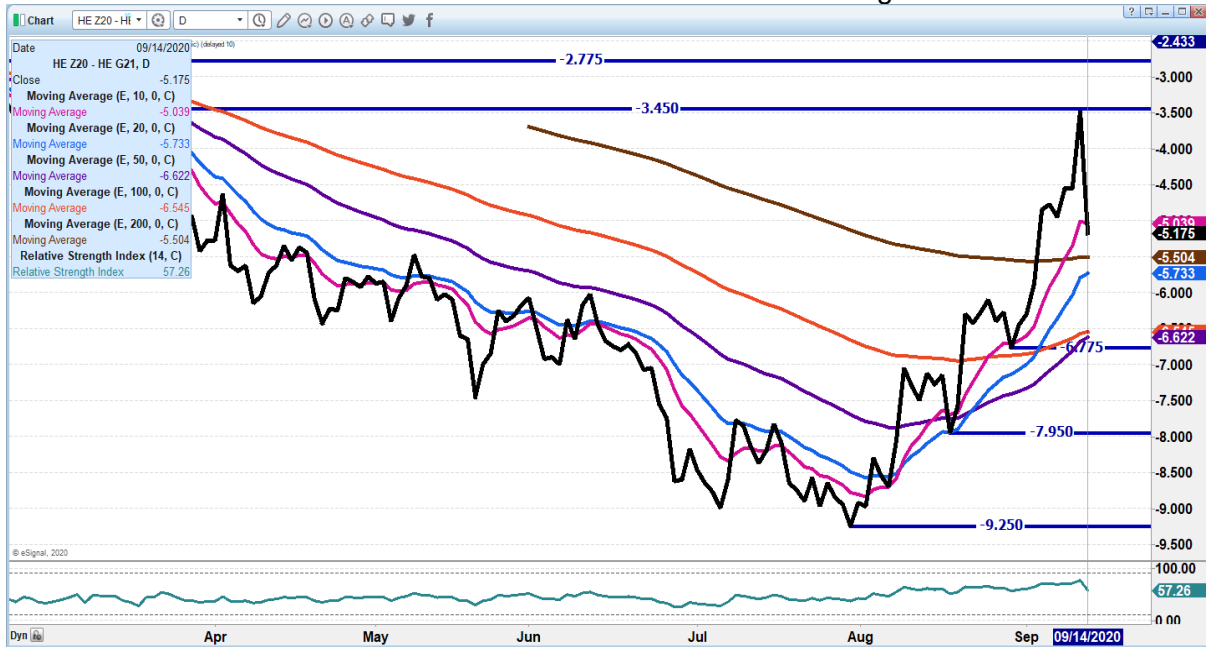
SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)
 PRICE RANGE: \$46.31 - \$77.18
 Weighted Average \$64.02 PREVIOUS DAY \$62.78
 HOGS SOLD: 282,924
https://www.ams.usda.gov/mnreports/lm_hg203.txt

OCTOBER 2020/DECEMBER LEAN HOGS HOG SPREAD – SPREAD IS BULL SPREAD AND NARROW AND NORMALLY BULLISH





DECEMBER 2020 – FEBRUARY 2021 LEAN HOG SPREAD - Big reversal



OCTOBER 2020 LEAN HOGS - Support 61.12 to 58.25 Resistance 66.12 to 68.37



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DECEMBER 2020 LEAN HOGS – After filling gap on Friday traders reversed trade on Monday. Resistance is 66.85 Support at 60.37



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