



## Morning September 25, 2020 Livestock Report

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### SEPTEMBER 2020 LIVESTOCK REPORTS

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

**HOGS AND PIGS REPORT AT BOTTOM OF THIS REPORT**

### CATTLE

#### USDA FEDERAL SLAUGHTER

SEPTEMBER 23, 2020	121,000
WEEK AGO	119,000
YEAR AGO	118,000
WEEK TO DATE (EST)	482,000
SAME PERIOD LAST WEEK (EST)	479,000
SAME PERIOD LAST YEAR (ACT)	468,000

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	<b>CHOICE</b>	<b>SELECT</b>
BOXED BEEF FINAL	217.48	207.74
CHANGE FROM PRIOR DAY	1.61	0.14
CHOICE/SELECT SPREAD:		9.74
TOTAL LOAD COUNT		123
5 DAY SIMPLE AVERAGE:	215.64	205.41

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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 24, 2020

Primal Rib	<b>372.36</b>	<b>343.20</b>
Primal Chuck	175.97	172.74
Primal Round	170.79	171.03
Primal Loin	<b>298.82</b>	<b>273.64</b>
Primal Brisket	160.79	157.60
Primal Short Plate	139.93	139.93
Primal Flank	100.44	100.54



FINAL SEPTEMBER 23, 2020	CHOICE	SELECT
Primal Rib	367.13	341.95
Primal Chuck	175.83	173.70
Primal Round	171.02	171.18
Primal Loin	293.93	272.52
Primal Brisket	160.91	156.15
Primal Short Plate	139.77	139.77
Primal Flank	101.13	100.43

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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
09/23	92	30	11	35	169	215.87	207.60
09/22	108	29	9	17	162	215.44	206.30
09/21	70	17	7	12	106	216.22	205.82
09/18	84	21	28	13	147	215.64	203.94
09/17	144	31	7	34	217	215.05	203.39

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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	72.49 loads	2,899,401 pounds
Select Cuts	21.28 loads	851,094 pounds
Trimming	5.49 loads	219,772 pounds
Ground Beef	24.20 loads	968,087 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)

USDA POSTED CATTLE PRICES ON 9/24/2020

IA/MN –CASH 103.00 - 107.00 DRESSED - 164.00 - 165.00  
NE - CASH – 104.00 - 105.00 DRESSED 165.00  
KS – CASH – 105.00 DRESSED NO DRESSED SALES REPORTED  
TX/OK/NM – 105.00  
CO – \*\*Information not available due to confidentiality\*\*



National Daily Direct Cattle SEPTEMBER 24, 2020  
(5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1493	\$103.90	24,127
Live Heifer:	1336	\$103.79	8,051
Dressed Steer:	945	\$164.05	18,567
Dressed Heifer:	854	\$163.73	5,679

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U.S. AUGUST CATTLE PLACEMENTS SEEN UP 5.8% FROM LAST YEAR -  
REUTERS NEWS  
FRIDAY, SETEMBER 25, 2020 2:00PM US CENTRAL TIME

	Range	Average	Mln head
On feed Sept 1	102.2-103.9	103.3	11.344
Placements in August	100.8-110.0	105.8	1.993
Marketings in August	95.7-97.5	96.6	1.887

	Cattle On Feed September 1	August Placements	August Marketings
Allegiant Com- modity Group	103.5	107.6	96.8
Allendale	103.1	104.2	95.7
HedgersEdge	103.1	104.8	96.3
KIS Futures, Jus- tin Lewis	103.0	106.0	97.0
Linn Group	102.2	100.8	97.3



Livestock Mktg Info Center	103.8	108.5	96.4
MBS Research, Mike Sands	103.0	106.0	96.0
New Frontier Capital Markets	103.4	107.5	97.0
Steiner Consulting	103.2	105.4	96.5
Texas A&M AgriLife Extension	103.9	110.0	96.5
U.S. Commodities	103.9	103.2	97.5

Ahead of this afternoon's report, likely futures trading will be slow. Cash markets this week \$2 or more higher. Showlists are light and packers are making big money. At this time there isn't too much to be bullish about. Of course the report could offer a surprise like bigger placements, but I don't see that happening. On feed number is fairly large but over past two weeks packers have been working with fewer cattle on showlists, so report is sort of old news and last month's big placements also go along with more on feed with this report.

As October goes into delivery and spreaders reverse spec September spreading, could see spreads narrowing. Likely there will be fewer cattle into 2021 because of negative feeding margins and cow/calf producers backing down on breeding during the March/April period.

One problem US industry needs to accept is increasing export competition and increasing numbers of livestock from Brazil. Brazil has and will cut into US exports, pork and beef, and has hurt it more than trade war. It should be a concern for the US livestock industry into 2021.

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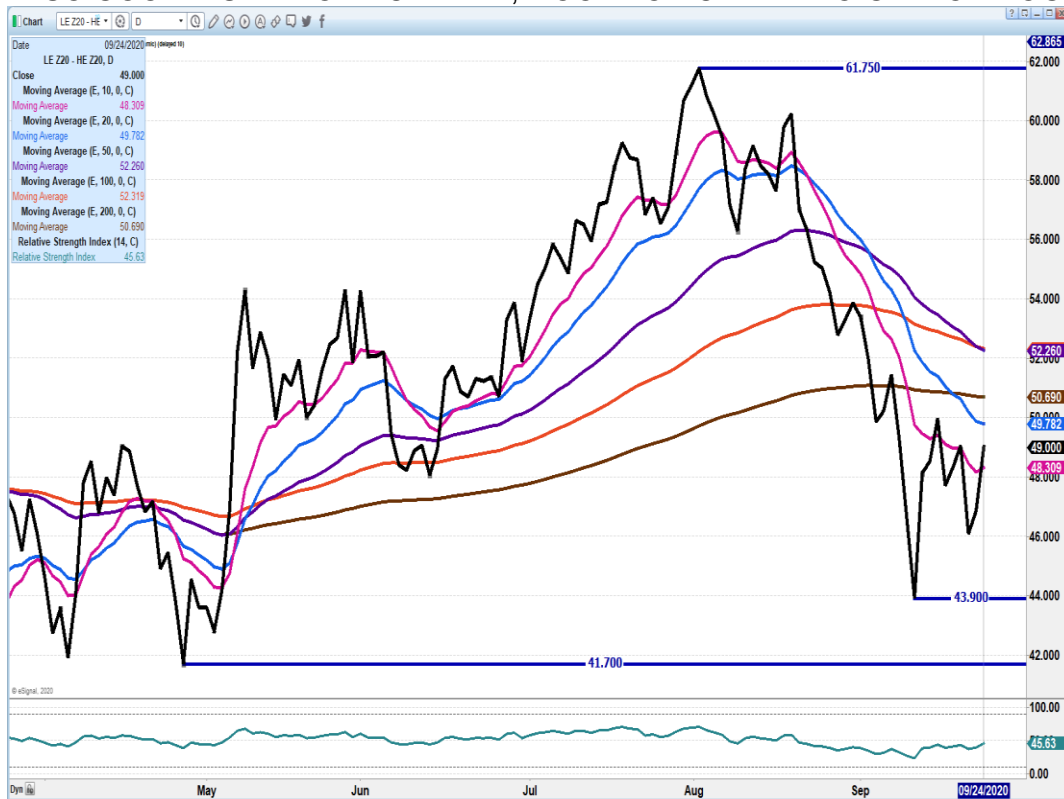
Boxed beef was higher early Thursday. Primal rib sections and loin sections moving market. When rib and loin sections move higher, it is often a bullish indicator. Having front months gain on preceding months with spreads narrowing is often a bullish indicator.

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As of September 22<sup>nd</sup> , dressed steer and heifer weights were 887.0 compared to previous week at 896.6 DOWN 9.6 pounds from week ago and 17 pounds over a year ago but 12 from previous week at 29 over.. Grading percent was 82.2% compared to previous week at 82.6%.

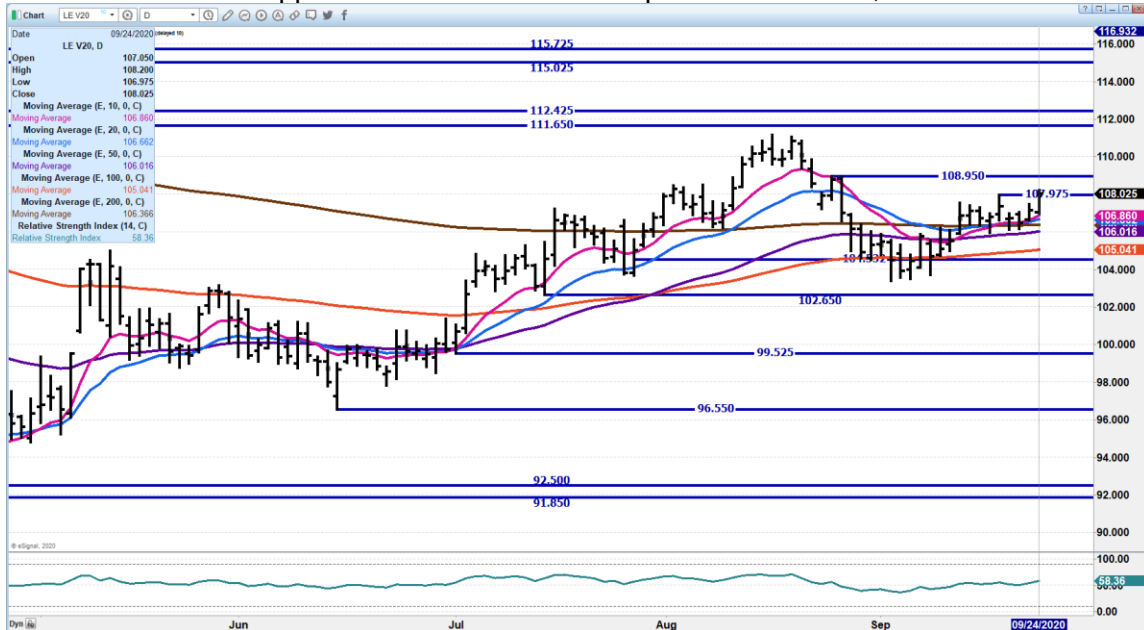
DECEMBER 2020 LIVE CATTLE/DECEMBER 2020 LEAN HOG SPREAD - COULD SEE A TURN DOWN ON FRIENDLY HOG NEWS BUT STRONG BEEF AND CASH CATTLE NEWS ALSO GOOD. BUT INTO DECEMBER, LOOK FOR CATTLE TO GAIN ON HOGS



DECEMBER 2020/FEBRUARY 2020 LIVE CATTLE SPREAD - SPREAD IN "NORMAL RANGE FOR SPREAD NOW. NARROWING IS FRIENDLY

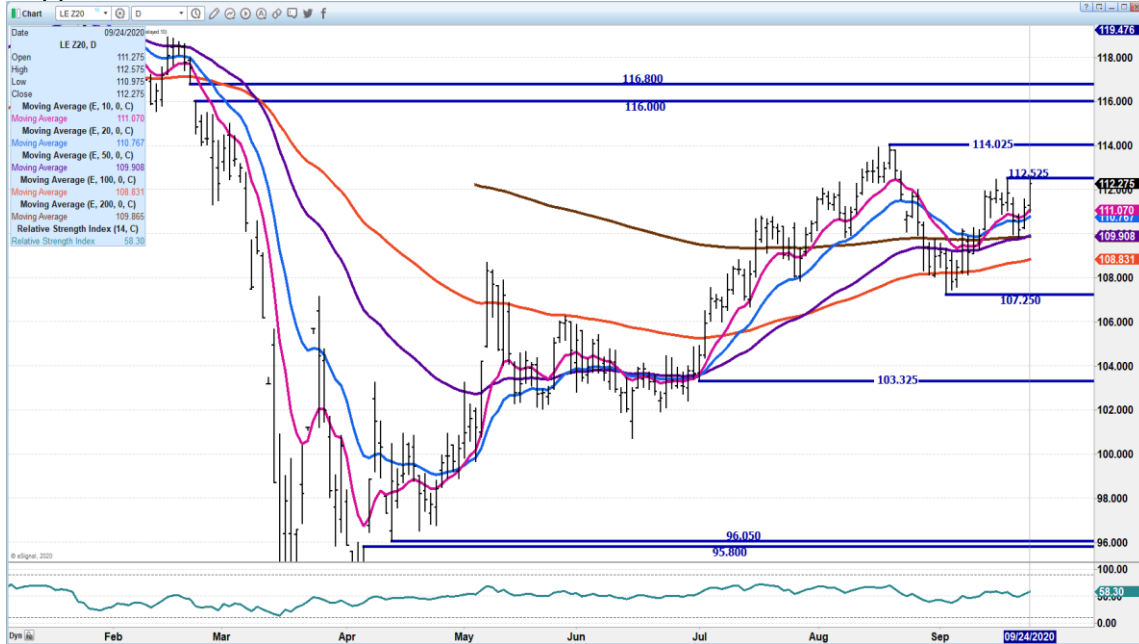


**OCTOBER 2020 LIVE CATTLE –** Moved through resistance on Thursday. Next resistance at 108.95 to 111.65 Support at 106.00 to 104.87 Open interest at 30,168

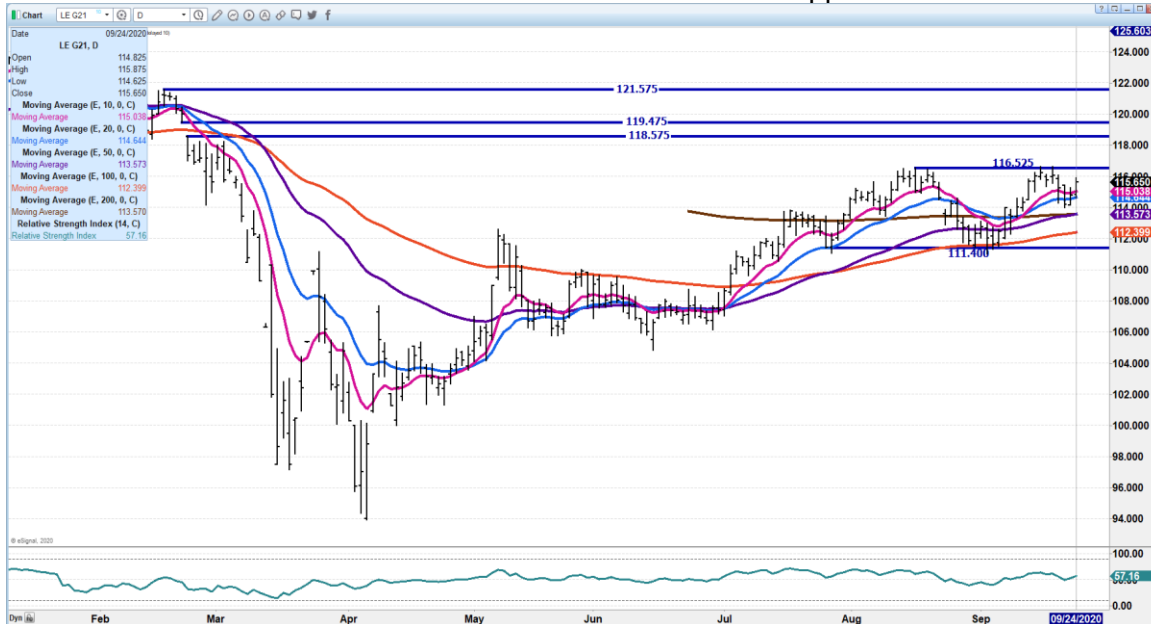




**DECEMBER 2020 LIVE CATTLE – Moved to resistance at 112.52 Next resistance at 114.02.. Support 110.97 to 109.87 Volume 22,194**



**FEBRUARY 2021 LIVE CATTLE – Resistance at 116.52. Support 114.50 to 113.55**



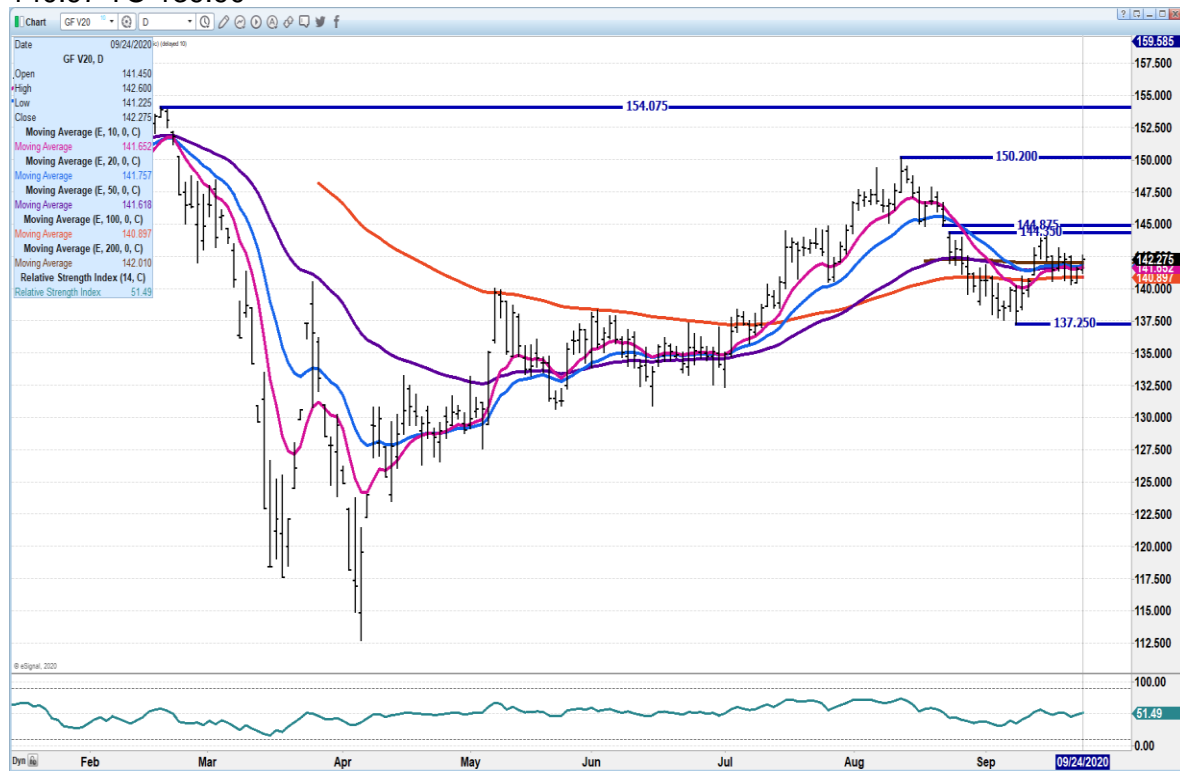


## Feeder Cattle

THE CME FEEDER INDEX ON 09/23/2020 WAS 142.59 UP 31 CENTS FROM PREVIOUS DAY

SEPTEMBER 2020 FEEDER CATTLE SETTLEMENT ON SEPTEMBER 24, 2020 WAS \$142.45

OCTOBER 2020 FEEDER CATTLE – RESISTANCE AT 143.82 TO 144.47 SUPPORT AT 140.97 TO 139.90

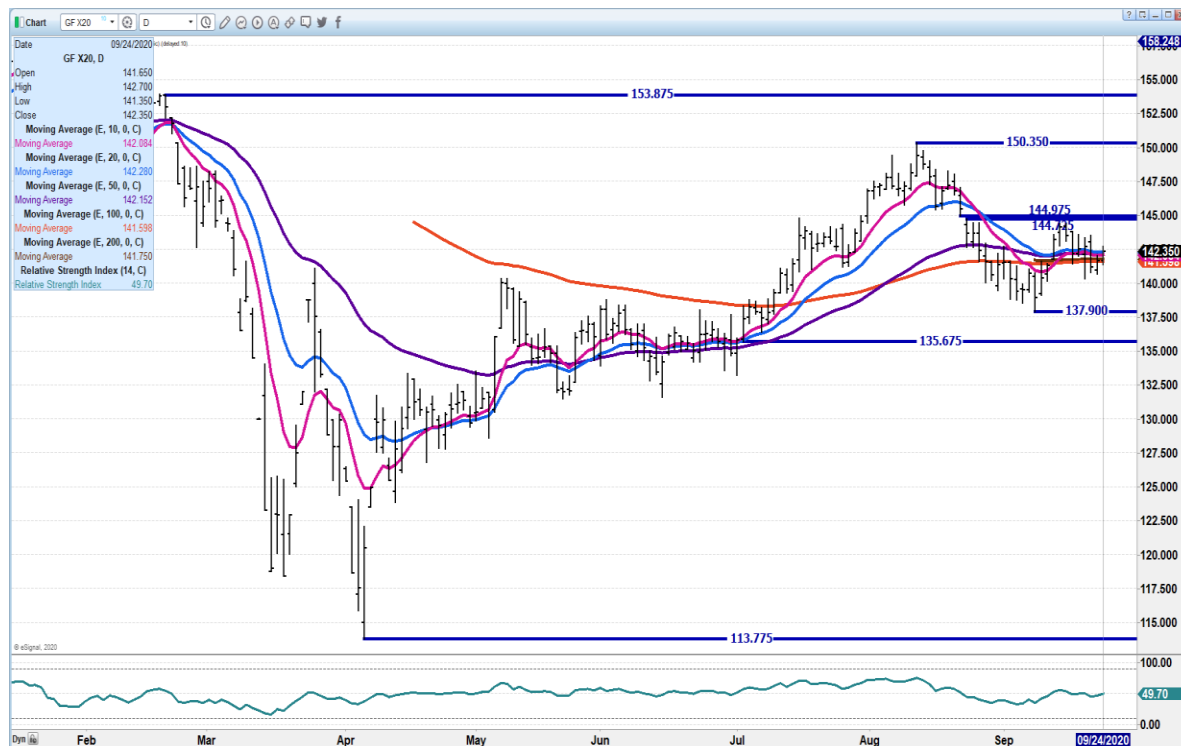


NOVEMBER 2020 FEEDER CATTLE - RESISTANCE 144.97 SUPPORT AT 140.37 TO 137.90





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## LEAN HOGS

### USDA ESTIMATED FEDERAL HOG SLAUGHTER – TUESDAY

SEPTEMBER 24, 2020	485,000
WEEK AGO	470,000
YEAR AGO	485,000
WEEK TO DATE (EST)	1,935,000
SAME PERIOD LAST WEEK (EST)	1,926,000
SAME PERIOD LAST YEAR (ACT)	1,875,000

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CME CASH HOG INDEX 09/22/2020 AT 72.89 UP 72 CENTS FROM PREVIOUS DAY -

CME CASH PORK CUTOUT INDEX 09/23/2020 AT 88.44 UP 1.12 FROM PREVIOUS DAY.

CME CASH FRESH BACON INDEX ON 09/18/2020 WAS 175.11 COMPARED TO 09/11/2020 WAS 163.42

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**Hogs and Pigs Report - Table at bottom of report**

The report is friendly. Farrowings are down. There will be fewer hogs. The big question will exports stay strong with China's rampant buildup?

All hogs and pigs as of September 1 up 1 % is no surprise since Federal slaughter is now slightly over it compared to same period a year ago. Breeding herd at 98 may in near term be construed as slightly negative because of high side of estimates, but fewer hogs if pork demand remains strong is still fewer hogs and is friendly. Market inventory at 101 was a fraction above estimates and may be slightly negative, but with demand for pork , the report is neutral in the long run unless pork demand falls out of bed. Market inventory down 1 percent from last quarter goes along with my expectations there were sows aborted and not bread March and part of April.

Farrowings at 97 percent during June and August should see prices stay strong into end of year. Into 2021 there should be fewer hogs because of drop in farrowing intentions. For most part , report was close to what was expected. Fewer farrowings are friendly. Into 2021 hog prices should increase because of fewer breeding intentions. Of course pork demand especially exports has been terrific in 2020 and the demand for pork must remain strong to sustain hog prices. China is not only rebuilding hog herd after collapsing due to African Swine Fever, their intentions are to see substantial increases by July of 2021 and inventory as much as 50% more with continual building of their hog herd over next 5 years. Brazil is coming on like gang busters and majority of their pork moves to China. Ukraine is building hog herd with financial assistance from China. Argentina is building their hog herd with Chinese investors and almost all pork slated for China. It is good US producers have paired back breeding. Global competition is fierce. So far African Swine Fever hasn't been found in German herds. Unless ASF is found in farm herds, pork that once was slated for China will find other global buyers. There are many countries that would love to buy the pork likely at a discount to global prices.

Friday, could start out at \$2.00 higher. To sustain higher prices, demand must remain strong. Then there is COVID 19...

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Hog weights have been going up from lows of two weeks ago. It usually indicates packers aren't pulling hogs up ahead of time. Thursday pork movement starting out light. Unless packers are storing and not likely with good exports, they need pork to fill previously contracted sales and light daily movement is making hand to mouth retail buyers pay whatever sellers can squeeze out of them. Markets such as a squeeze a strong for a short time, and when the day buyers fill immediate needs, products can turn quickly around.

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## SEPTEMBER 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

SEPTEMBER 24, 2020

LOADS OF PORK CUTS: 244.52

LOADS TRIM/PROCESSED PORK: 32.41

#### FINAL 9/24/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/24/2020	276.93	92.03	77.43	83.21	63.19	133.72	89.87	152.11
CHANGE :		3.06	1.37	2.13	2.23	1.91	7.79	1.44
Five Day Average --		89.46	75.12	81.70	61.96	130.71	86.17	149.24

#### NOON 9/24/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/24/2020	149.71	89.74	78.24	82.94	65.12	133.16	79.36	151.73
CHANGE :		0.77	2.18	1.86	4.16	1.35	-2.72	1.06
Five Day Average --		89.00	75.28	81.65	62.35	130.60	84.06	149.16

#### SETTLE ON FRIDAY 9/18/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/18/2020	389.73	87.53	73.78	80.91	60.87	128.34	84.13	145.26

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### NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE SLAUGHTER DATA FOR SEPTEMBER 22, 2020

Average carcass weight - 281.14

Average live weight - 210.32

[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 23, 2020

#### NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES

Carcass Base Price: \$60.00 - \$68.00

Weighted Average: \$64.71

Change from Prior Day: .36higher

HOGS SOLD: 4,230



SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)  
 PRICE RANGE: \$61.05 - \$84.54  
 Weighted Average: \$73.15  
 Previous Day: \$72.52  
 HOGS SOLD: 155,467

[https://www.ams.usda.gov/mnreports/lm\\_hg203.txt](https://www.ams.usda.gov/mnreports/lm_hg203.txt)

DECEMBER 2020 – FEBRUARY 2021 LEAN HOG SPREAD - farrowing numbers should move up December



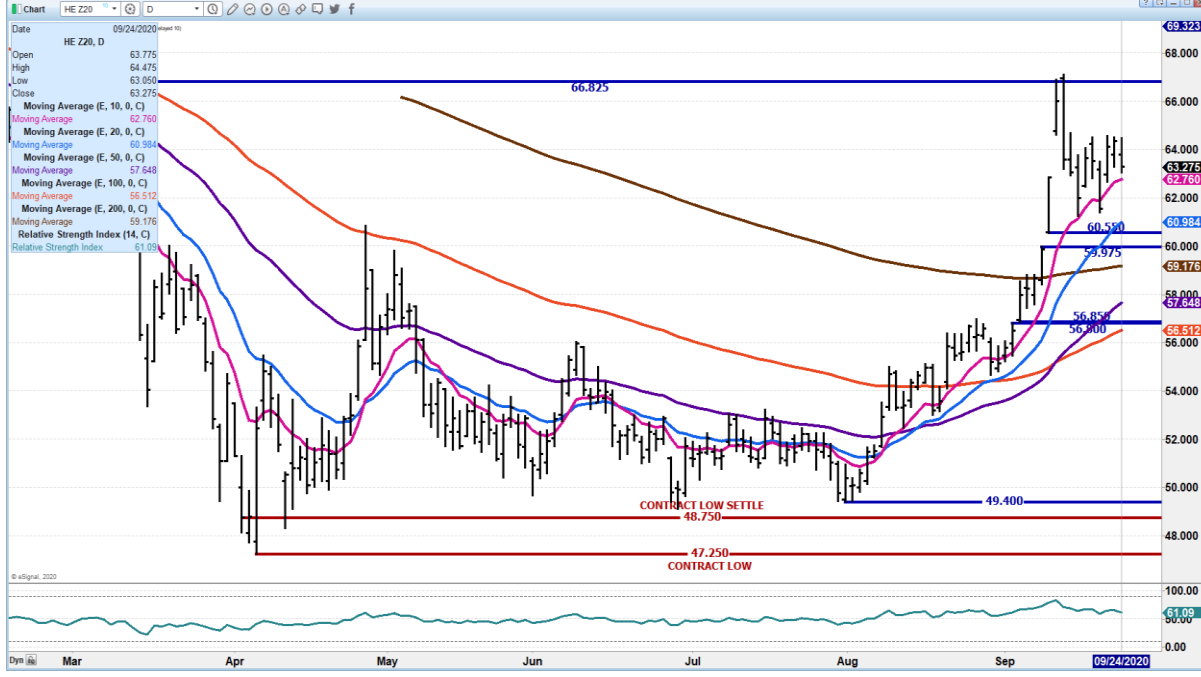
OCTOBER 2020 LEAN HOGS - Thursday came with in 12 cents of resistance at 69.97 Next resistance at 73.00 Support at 66.45 to 63.30



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### DECEMBER 2020 LEAN HOGS – Resistance 68.82 Support at 62.75



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## SEPTEMBER 24, 2020 USDA HOGS AND PIGS REPORT

### United States Hog Inventory Up 1 Percent

	Ranges	Average	Actual
All hogs September 1	96.9-102.6	100.1	101
Kept for breeding	96.7-98.9	97.5	98
Kept for market	96.9-103.0	100.6	101
Pig crop			
June-August	93.2-96.0	95.1	97
Weight Groups			
Under 50 lbs	95.0-100.5	98.6	97
50-119 lbs	95.4-102.0	99.8	97
120-179 lbs	98.1-105.1	102.3	106
Over 180 lbs	101.0-106.6	103.3	110
Farrowings			
June-August	95.1-96.9	95.7	97
Farrowing intentions			
September-November	94.3-97.2	95.5	95
December-February	95.0-99.7	97.0	99
Pigs per litter			
June-Aug	99.7-100.4	100.1	

United States inventory of all hogs and pigs on September 1, 2020 was 79.1 million head. This was up 1 percent from September 1, 2019, but down 1 percent from June 1, 2020.



Breeding inventory, at 6.33 million head, was down 2 percent from last year, but up slightly from the previous quarter

Market hog inventory, at 72.8 million head, was up 1 percent from last year, but down 1 percent from last quarter

The June-August 2020 pig crop, at 35.1 million head, was down 3 percent from 2019. Sows farrowing during this period totaled 3.18 million head, down 3 percent from 2019. The sows farrowed during this quarter represented 50 percent of the breeding herd. The average pigs saved per litter was 11.04 for the June-August period, compared to 11.11 last year.

United States hog producers intend to have 3.12 million sows farrow during the September-November 2020 quarter, down 5 percent from the actual farrowings during the same period one year earlier, and down 3 percent from the same period two years earlier. Intended farrowings for December 2020-February 2021, at 3.11 million sows, are down 1 percent from the same period one year earlier, but up slightly from the same period two years earlier.

The total number of hogs under contract owned by operations with over 5,000 head, but raised by contractees, accounted for 47 percent of the total United States hog inventory, down 1 percent from the previous year.

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*CHARTS FROM ESIGNAL INTERACTIVE, INC.*

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