



## MORNING November 3, 2020 Livestock Report

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### CATTLE

#### USDA FEDERAL CATTLE SLAUGHTER

NOVEMBER 2, 2020	119,000
WEEK AGO	115,000
YEAR AGO	116,000

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	CHOICE	SELECT
BOXED BEEF NOON	208.65	192.62
CHANGE FROM PRIOR DAY	0.55	1.38
CHOICE/SELECT SPREAD:		16.03
TOTAL LOAD COUNT		145
5 DAY SIMPLE AVERAGE:	207.15	189.84

PREVIOUS WEEK 10/30/2020	CHOICE	SELECT
BOXED BEEF FINAL PRICE	208.10	191.24

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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

#### NOON NOVEMBER 2, 2020

Primal Rib	382.52	319.32
Primal Chuck	169.77	164.50
Primal Round	170.03	169.24
Primal Loin	270.17	238.72
Primal Brisket	151.29	143.88
Primal Short Plate	120.21	120.21
Primal Flank	100.00	98.71

#### FINAL OCTOBER 30, 2020

Primal Rib	387.82	317.28
Primal Chuck	170.33	164.11
Primal Round	169.49	167.34
Primal Loin	265.08	236.32
Primal Brisket	152.76	143.97
Primal Short Plate	119.72	119.72
Primal Flank	95.02	96.74

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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
10/30	55	26	8	18	106	208.10	191.24
10/29	93	18	25	20	156	207.32	191.23
10/28	99	25	21	27	173	205.79	189.58
10/27	105	26	17	28	175	206.70	188.67
10/26	61	44	19	11	135	207.83	188.49

**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	87.21 loads	3,488,548 pounds
Select Cuts	16.67 loads	666,996 pounds
Trimblings	23.26 loads	930,496 pounds
Ground Beef	17.68 loads	707,306 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 11/02/2020**  
IA/MN – CASH No Reportable Trade. - DRESSED 163.00 mixed load on 78 head  
NE - CASH – No Reportable Trade. DRESSED No Reportable Trade.  
KS – CASH No Reportable Trade. DRESSED No Reportable Trade.  
TX/OK/NM – No Reportable Trade.  
CO – Information not available due to confidentiality

**\*\*\*National Daily Direct Cattle November 02, 2020**  
(5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1504	\$104.38	23,188
Live Heifer:	1364	\$104.60	10,868
Dressed Steer:	999	\$161.48	6,017
Dressed Heifer:	850	\$162.77	881



**Japan may be an important exporter to watch. Past years showed that Japan was one of the best buyers when we had overfed cattle . Need to see if they will increase importing more beef. However, the US isn't the only country with big Choice and Prime cuts. Great Britain and Australia along with Brazil and Argentina have larger cattle.**

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**Monday hopefully isn't an indicator of trading for the week. To say futures trading was quiet may be an overstatement. Trading was clearly chart based and spreading throughout the day.**

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**With last week's small buying on showlist, less than 58,000 cattle were bought ,feedlots feel they can ask prices as much as \$3 or more higher. However, it isn't know how many cattle packers have on hand. Packers have been aggressively forward contracting plus \$1.00 for cattle December through April and plus \$4.00 over the board May through the summer.**

**Packers are making good money and the ball may be in their court. It is likely they push up cattle prices on lighter Choice, 1350- 1400 pound Choice they need to fill previously contracted beef orders. Look for heavy overfed weight cattle this week to have deeper discounts than a week ago.**

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**Countries across the globe have started to lockdown and more countries in the northern hemisphere will follow going into colder months. Restaurants have never recovered and restaurants that increased outdoor dining in the summer and fall won't be offering outdoor dining in the cold winter months. Sitting at on a sidewalk in New York City or Chicago when it is cold and either raining or snowing doesn't entice people to go out to eat.**

**Grocery stores will have beef specials for winter holidays and will show rib roasts.**

**Into 2021, cattle numbers should see a slowdown in the US. Less cows were bred during the spring and there was cow liquidation with the extreme heat and drought in the Southwest to West.**

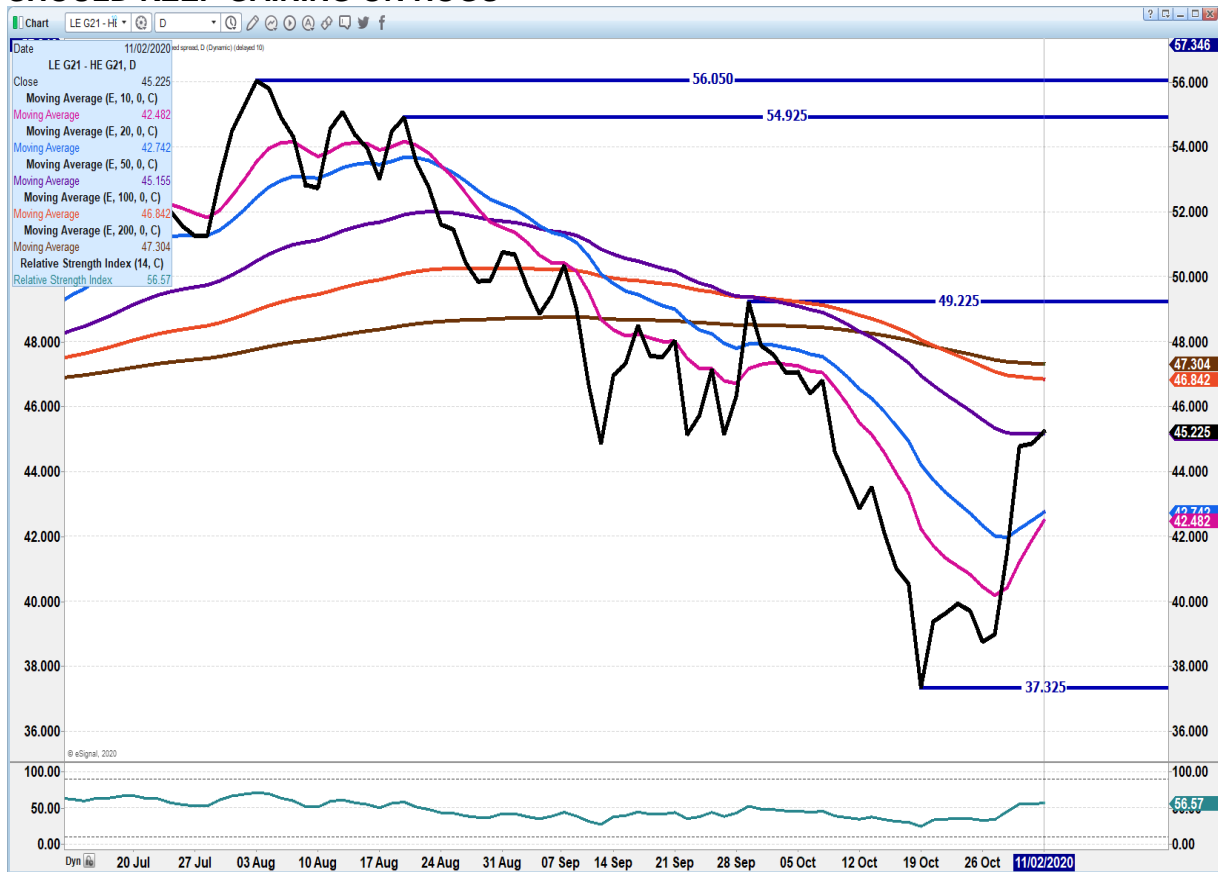
**But into 2021, beef will be competing with more pork and poultry. China has 2.5 times more poultry it built up to make up for less pork. Also, China is back to 90% the hog herd pre African Swine Fever with plans of having up to 50% more by mid-2021 and plans to keep increasing. It is good for grain US producers but it means US livestock producers have to hedge feed if they have not already done so.**

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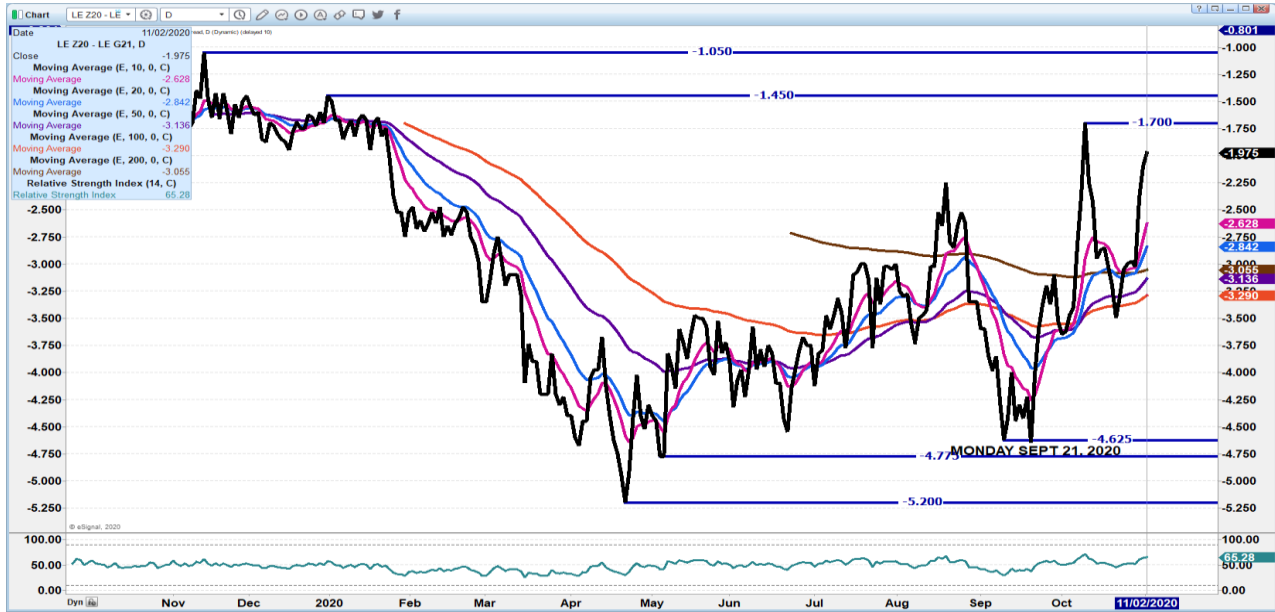
**As of October 27th**, dressed steer and heifer weights were 900.3 compared to previous week at 901.0 down .7 pound from week ago and 28 pounds over a year ago. Grading percent was 81.0%, down compared to previous week at 81.7%.

**FEBRUARY 2021 LIVE CATTLE/FEBRUARY 2021 LEAN HOG SPREAD – CATTLE SHOULD KEEP GAINING ON HOGS**

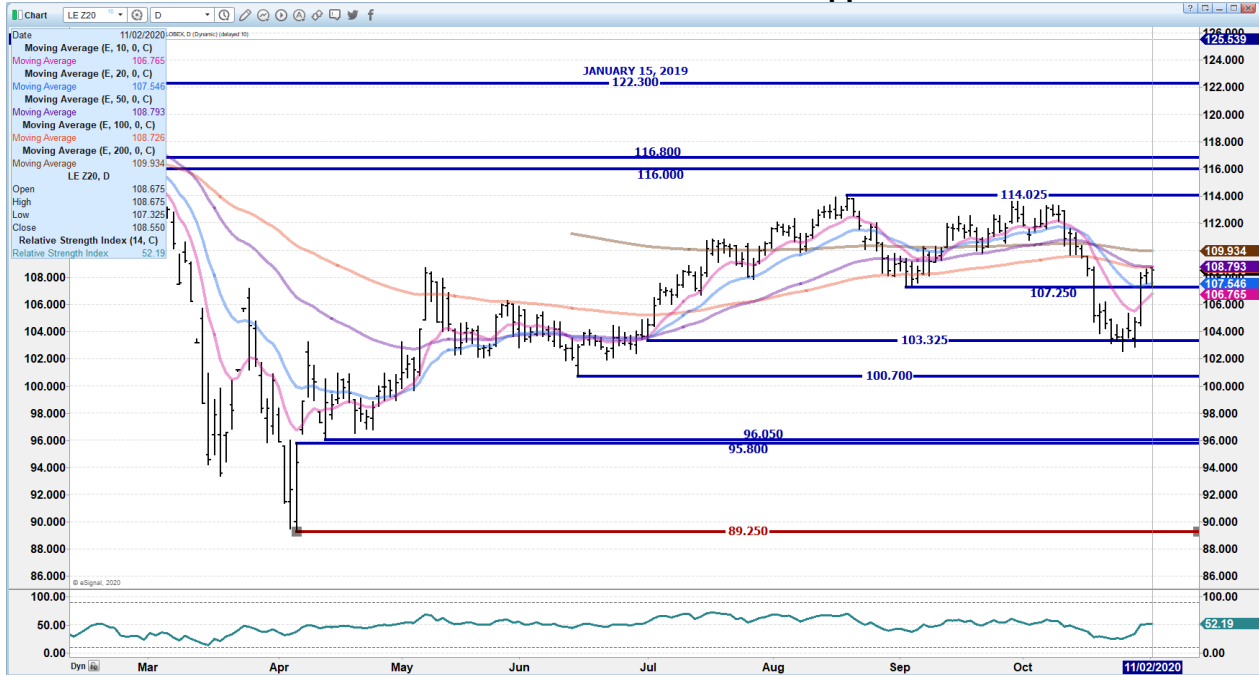


**DECEMBER 2020/FEBRUARY 2021 LIVE CATTLE SPREAD - SPREAD IS NARROW. IT IS CONSIDERED FRIENDLY TO CATTLE**





**DECEMBER 2020 LIVE CATTLE - Moved to convergence of 50 and 100 moving average, could offer resistance 108.80 Next resistance at 109.95 Support at 107.55 to 106.75**



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**FEBRUARY 2021 LIVE CATTLE – Closed over 20 day moving average. Next resistance at 111.95 Support at 109.37**



**APRIL 2021 LIVE CATTLE – Resistance at 114.37 Support at 112.45**



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## Feeder Cattle

**THE CME FEEDER INDEX ON 10/30/2020 WAS 136.48 DOWN 22 CENTS FROM PREVIOUS DAY**

**NOVEMBER 2020 FEEDER CATTLE FUTURES SETTLED ON NOVEMBER 2, 2020 AT \$136.97**

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### **NATIONAL FEEDER & STOCKER SUMMARY - WEEK ENDING 10/30/2020**

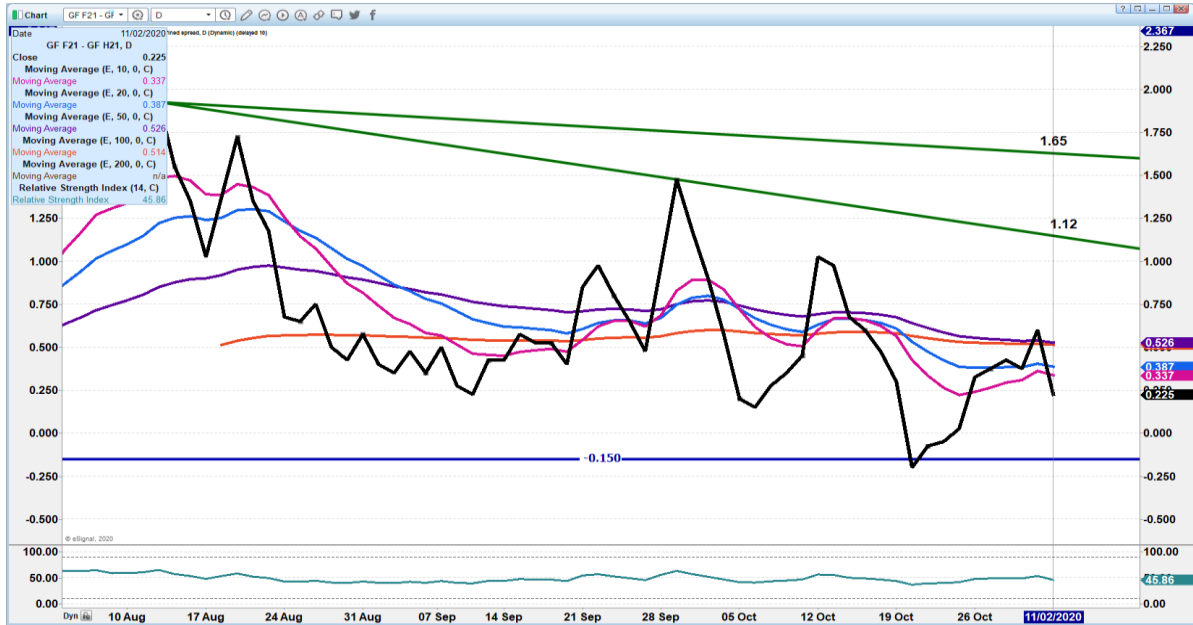
RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	187,500	11,100	2,100	200,700
LAST WEEK:	248,500	27,100	36,600	312,200
YEAR AGO:	274,600	49,000	2,000	325,600

COMPARED TO LAST WEEK, STEERS AND HEIFER CALVES SOLD UNEVEN; 3.00 LOWER TO 2.00 HIGHER. LIMITED AMOUNTS OF YEARLINGS SOLD STEADY TO 3.00 HIGHER. RECEIPTS WERE LIGHT IN THE CALF AND YEARLING PRODUCING AREA OF THE SOUTHERN PLAINS THIS WEEK AS A WINTER STORM ROLLED THROUGH MAKING TRANSPORTATION OF LIVESTOCK TREACHEROUS. THE SOUTHERN PLAINS HAD AREAS OF FLOODING, FREEZING RAIN AND SNOW; SOMETIMES ALL OF THEM IN A SHORT AMOUNT OF TIME. OKLAHOMA CITY NATIONAL STOCKYARDS SOLD ONLY 3100 HEAD WHILE JOPLIN REGIONAL STOCKYARD SOLD 2700 HEAD AND WINTER LIVESTOCK IN PRATT, KS CANCELLED THEIR REGULAR THURSDAY SALE. THESE AUCTIONS AND OTHERS WERE THE CAUSE FOR THE TOTAL AUCTION RECEIPTS THIS WEEK TO BE AROUND 88K SHORT OF A YEAR AGO. DIRECT TRADING WAS VERY LIMITED THIS WEEK AS THE TOTAL DIRECT RECEIPTS ARE THE LIGHTEST NON HOLIDAY WEEK SINCE MARCH 20 THIS YEAR.

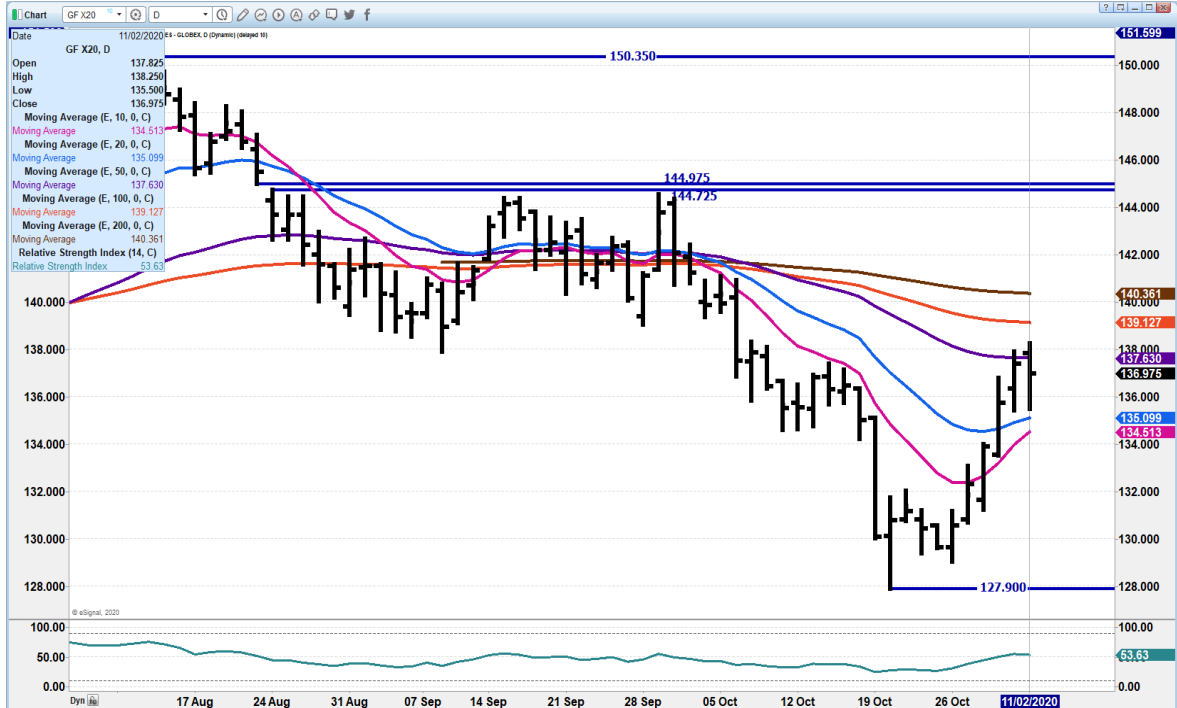
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**JANUARY 2021/MARCH 2021 FEEDER CATTLE SPREAD – SPREAD IS TIGHT. IT IS FRIENDLY. CONTRACT AND PACKER OWNED FEEDLOTS NEED TO KEEP LOTS FILLED**



**NOVEMBER 2020 FEEDER CATTLE - RESISTANCE AT 140.35 SUPPORT AT 134.87**



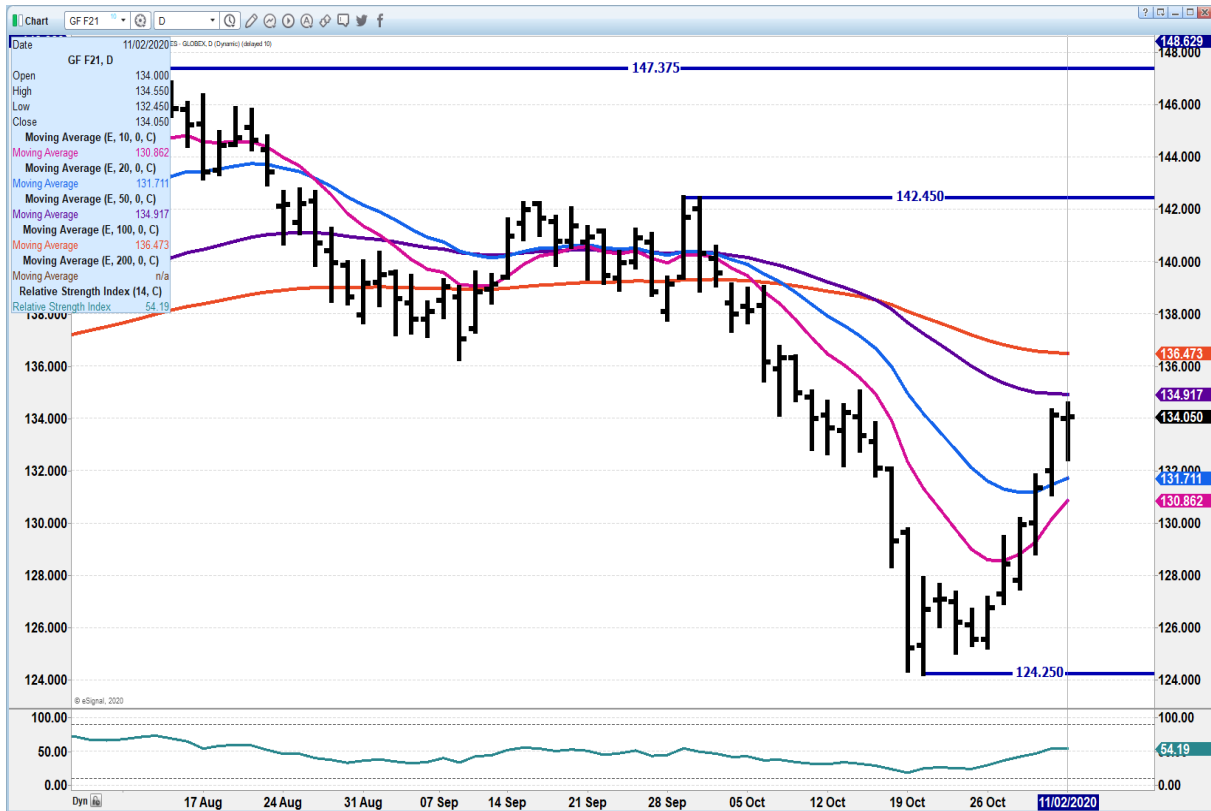
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**JANUARY 2021 FEEDER CATTLE – Resistance at 136.47 Resistance at 131.75**



**LEAN HOGS**

**USDA ESTIMATED FEDERAL HOG SLAUGHTER**

<b>NOVEMBER 2, 2020</b>	<b>493,000</b>
<b>WEEK AGO</b>	<b>487,000</b>
<b>YEAR AGO</b>	<b>492,000</b>

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**CME CASH HOG INDEX 10/29/2020 AT 74.49 DOWN 1.00 FROM PREVIOUS DAY**

**CME CASH PORK CUTOUT INDEX 10/30/2020 AT 87.21 DOWN 1.74 FROM PREVIOUS DAY.**



**CME CASH FRESH BACON INDEX ON 10/30/2020 WAS 188.44 COMPARED TO 10/23/2020 WAS 222.45**

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**The average pork price in China is at the lowest level since mid-June at CNY42.37/kg (\$6.37/kg), according to data from China's Ministry of Commerce. The hog herd is around 90% of the inventory before African Swine Fever.**  
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Hogs are in the time of the month, November, when cash hogs and pork prices may or may not reflect on what happens in the futures market. November is a speculators month.

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Pork cutout moves on what hams and bellies are doing. Loins are a drag on the market. As long as exports are strong to Mexico and they keep taking hams and bellies, it is the safety pin holding the pork cutout from falling. China will buy pork and has been strong buyer of variety meats, heads, and hog feet but the strong carcass buying earlier in 2020 looks to be over. Reports from China keep reminding that they have more storage pork than a year ago and hog inventories are nearly at levels pre African Swine Fever. Germany is out selling pork to China but Spain and Portugal are selling China more and then Chinas favorite son in meat meats, Brazil keeps breaking record imports.

Weights remain up which shows packers aren't having a hard time procuring enough hogs for the kill.

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**Pork Cutout Futures and Options Fact Card**

<https://www.cmegroup.com/education/articles-and-reports/pork-cutout-futures-and-options-fact-card.html>

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**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  
NOVEMBER 2, 2020  
LOADS OF PORK CUTS: 331.62  
LOADS TRIM/PROCESSED PORK: 26.89**



**FINAL**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
11/02/2020	358.50	84.14	73.47	78.24	59.24	135.09	90.57	114.65
CHANGE :		0.34	-0.55	2.29	0.87	7.10	6.72	-10.05
Five Day Average --		85.77	76.12	77.69	60.05	135.55	87.23	124.34

**FINAL PREVIOUS WEEK'S CLOSE**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
10/30/2020	312.76	83.80	74.02	75.95	58.37	127.99	83.85	124.70

**NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE  
SLAUGHTER DATA FOR OCTOBER 30 AND 31, 2020**

Average live weight - 287.22  
Average carcass - 214.71

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**DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM November 02, 2020  
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**

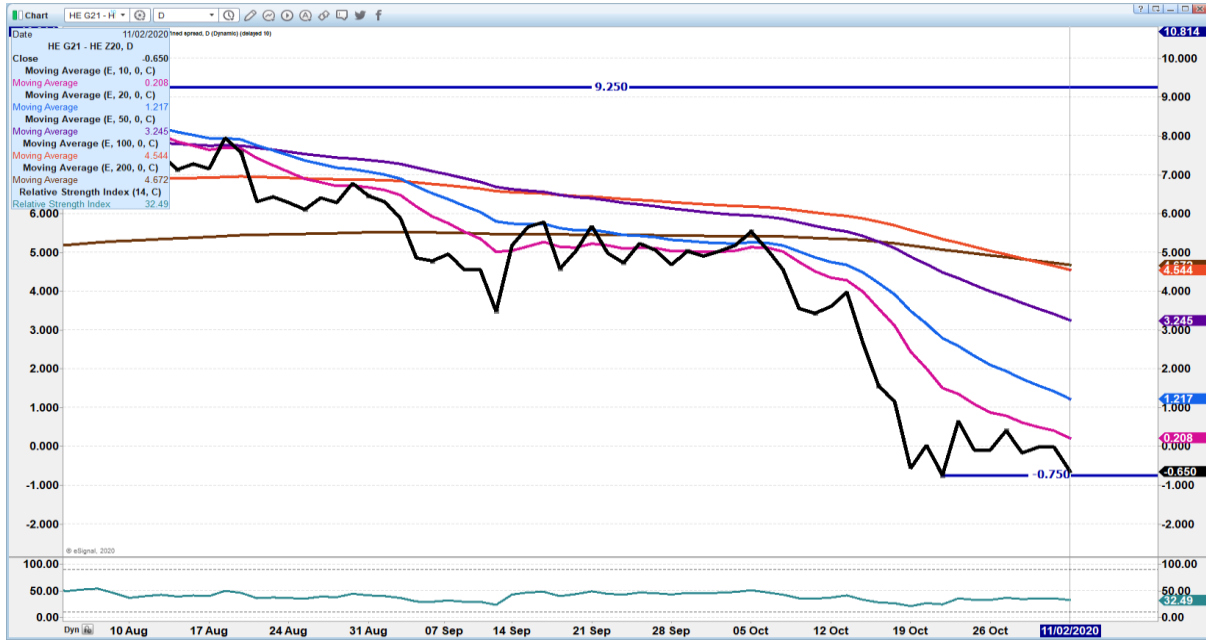
Carcass Base Price: \$56.00 - \$62.01  
Weighted Average: \$59.96  
Change from Prior Day: 1.11 lower  
HOGS SOLD: **4,971**

**SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)**

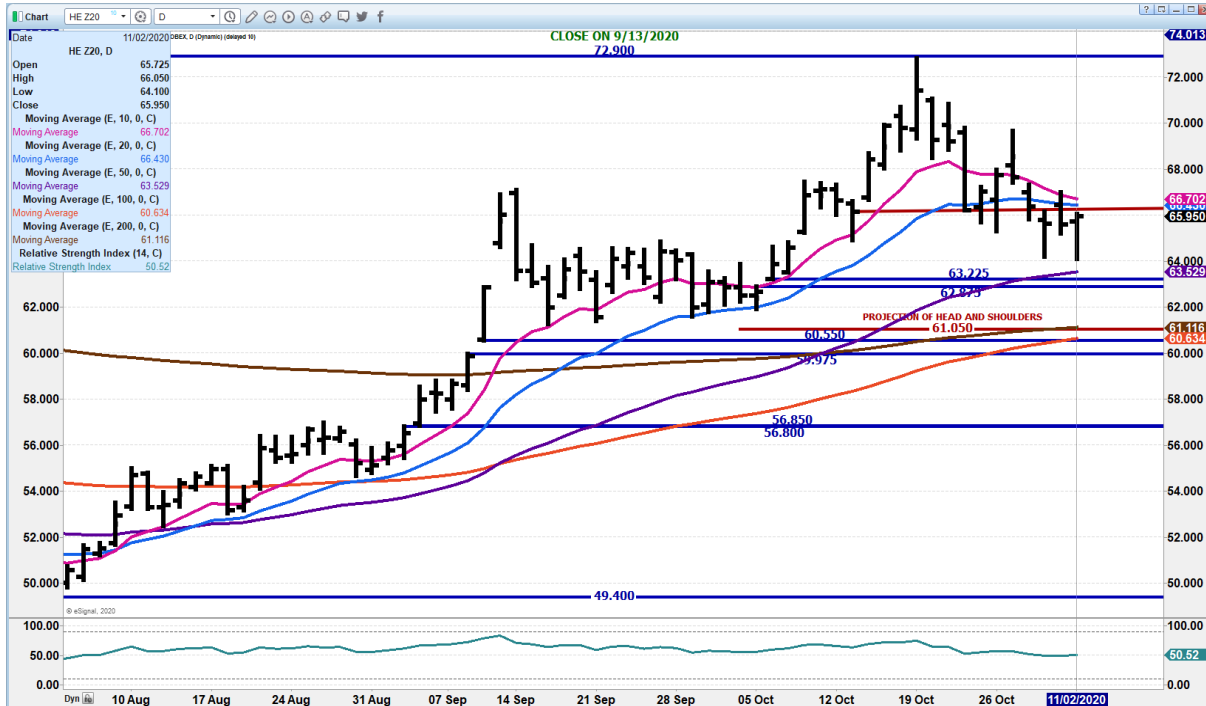
PRICE RANGE: \$60.18 - \$89.29  
Weighted Average: \$71.32  
Previous Day: \$71.98  
HOGS SOLD: **211,623**

[https://www.ams.usda.gov/mnreports/lm\\_hq203.txt](https://www.ams.usda.gov/mnreports/lm_hq203.txt)

**FEBRUARY 2021/DECEMBER 2020 LEAN HOG SPREAD - GOING FORWARD LOOK  
FOR FEB TO GAIN ON DEC**



**DECEMBER 2020 LEAN HOGS – RESISTANCE AT 66.70 SUPPORT AT 63.50**



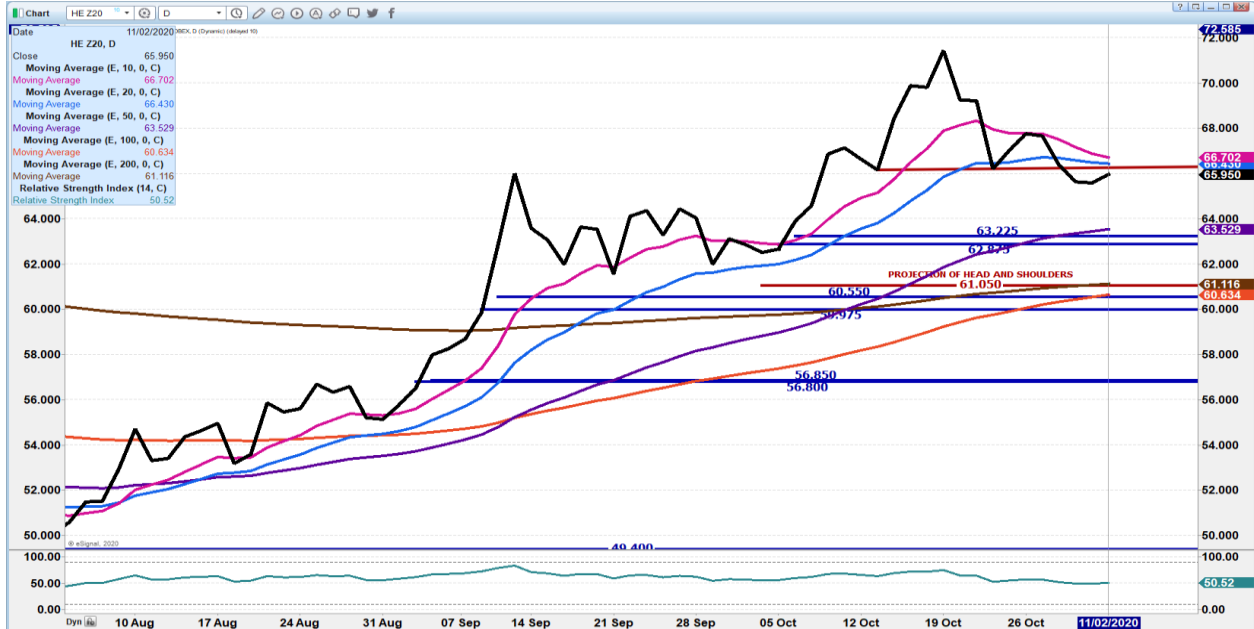
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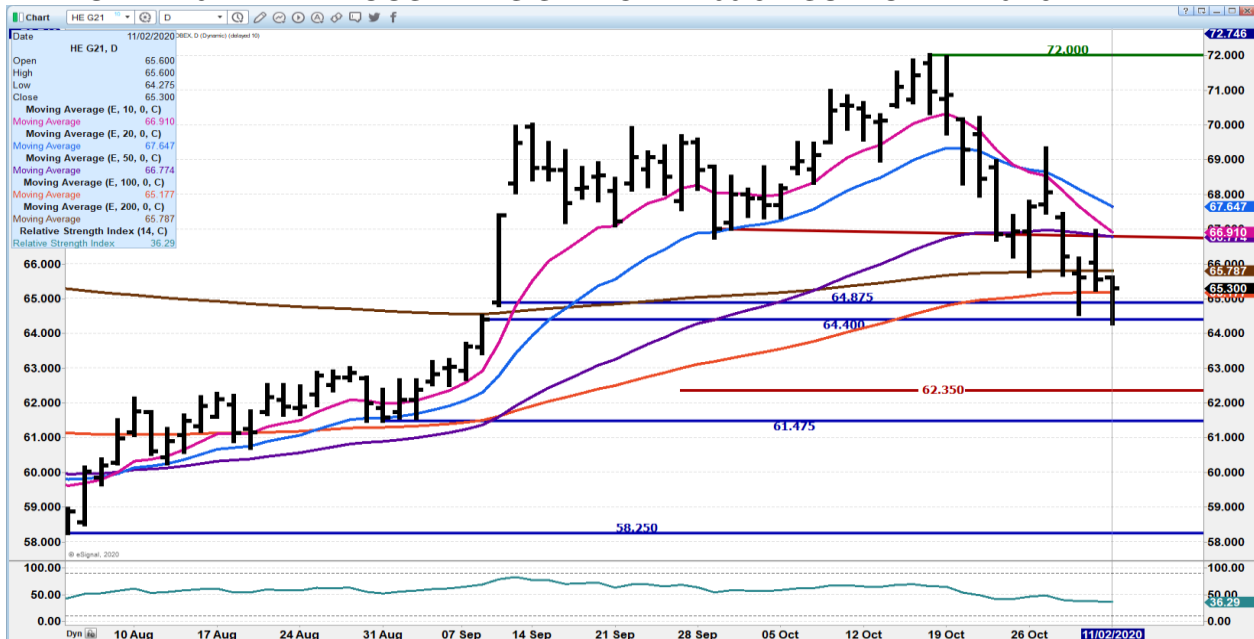




**DECEMBER 2020 LEAN HOGS – HEAD AND SHOULDER RESISTANCE AT 66.70 SUPPORT AT 63.59**



**FEBRUARY 2021 LEAN HOGS – RESISTANCE AT 66.87 SUPPORT AT 64.37**

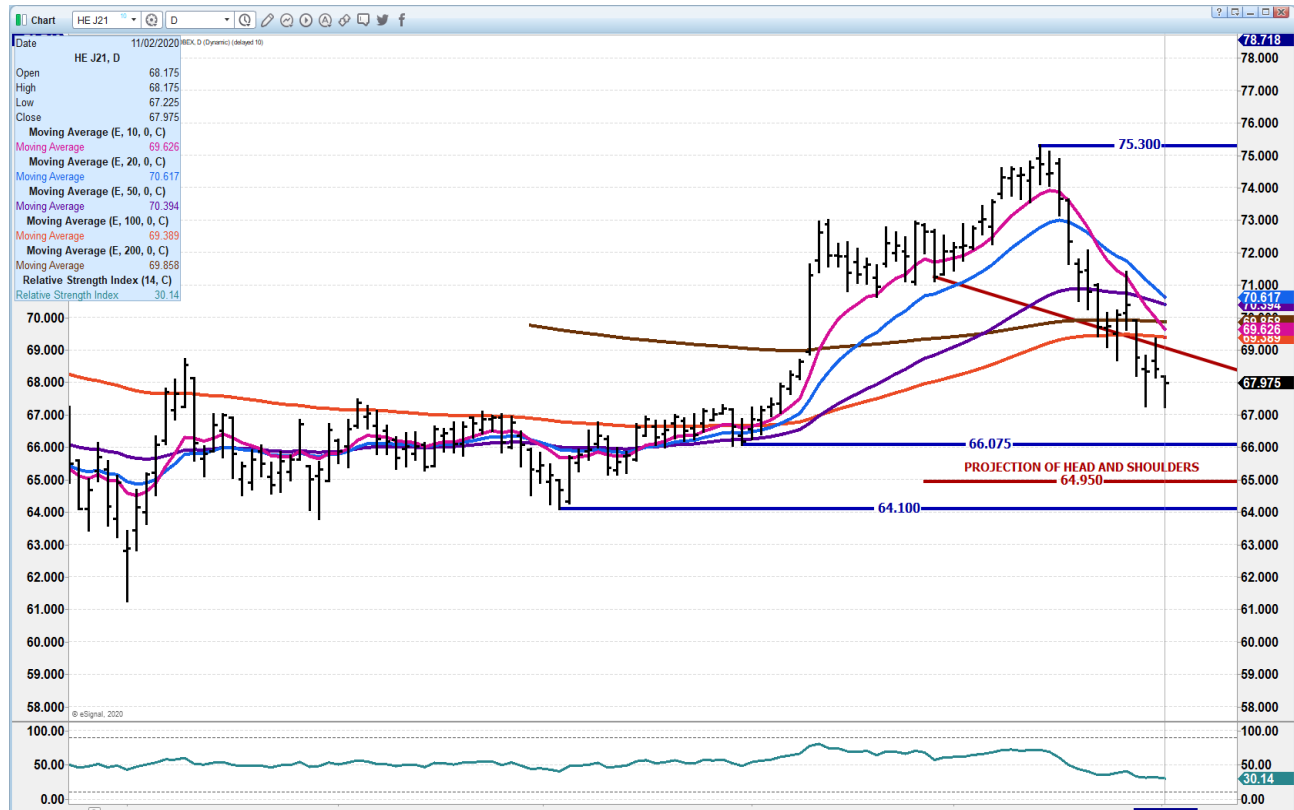


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**APRIL 2021 LEAN HOGS – RESISTANCE AT 69.30 SUPPORT AT 66.07**



**CHARTS FROM ESIGNAL INTERACTIVE, INC.**

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