



## MONDAY MORNING December 14, 2020 Livestock Report

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### CATTLE

#### USDA FEDERAL CATTLE SLAUGHTER

DECEMBER 11, 2020	118,000	
WEEK AGO	117,000	
YEAR AGO	123,000	
SATURDAY 12/12/2020	73,000-	A WEEK AGO 69,000, YEAR AGO 53,000
WEEK TO DATE (EST)	665,000	
SAME PERIOD LAST WEEK (EST)	667,000	
SAME PERIOD LAST YEAR (ACT)	666,000	
2020 YEAR TO DATE	30,626,000	
*YEAR TO DATE	31,698,000	
Percent change year to date	-3.4%	Previous week -3.5%

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	<b>CHOICE</b>	<b>SELECT</b>
BOXED BEEF FINAL	213.88	195.71
CHANGE FROM PRIOR DAY	(0.71)	(2.76)
CHOICE/SELECT SPREAD:		18.17
TOTAL LOAD COUNT		131
5 DAY SIMPLE AVERAGE:	224.74	206.51

<b>PREVIOUS WEEK 12/04/2020</b>	<b>CHOICE</b>	<b>SELECT</b>
<b>BOXED BEEF FINAL PRICE</b>	<b>235.02</b>	<b>217.51</b>

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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 DECEMBER 11, 2020

Primal Rib	467.69	355.16
Primal Chuck	166.03	166.33
Primal Round	169.17	167.95
Primal Loin	259.97	233.61
Primal Brisket	145.89	152.80



Primal Short Plate	113.97	113.97
Primal Flank	90.72	93.91

**PREVIOUS WEEK CLOSING PRICES  
FINAL DECEMBER 04, 2020**

Primal Rib	514.23	403.47
Primal Chuck	190.03	186.85
Primal Round	184.78	182.51
Primal Loin	275.70	261.45
Primal Brisket	151.43	140.76
Primal Short Plate	130.14	130.14
Primal Flank	105.07	108.57

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**Change in Primal Cuts over the last week through Noon 12/11/2020**

Choice Boxed Beef	<b>lost \$21.45</b>
Select Boxed Beef	<b>lost \$21.25</b>

**LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 10 DAYS**

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
12/10	98	27	27	33	185	214.59	198.47
12/09	132	40	17	18	207	218.26	201.65
12/08	122	39	39	29	228	225.02	205.42
12/07	112	27	7	16	161	230.80	209.48
12/04	81	19	15	16	132	235.02	217.51
12/03	131	15	20	22	189	239.19	219.93
12/02	74	12	18	19	123	240.89	222.95
12/01	78	13	11	27	130	243.40	223.08
11/30	53	12	12	7	84	243.68	222.43
11/27	30	7	8	7	51	242.85	220.68

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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	65.36 loads	2,614,534 pounds
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Select Cuts	25.80 loads	1,032,001 pounds
Trimming	20.81 loads	832,466 pounds
Ground Beef	18.84 loads	753,461 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)

**BEEF AND PORK EXPORTS ON LAST PAGE OF REPORT**

**DECEMBER 2020 USDA LIVESTOCK REPORTS**

USDA CATTLE ON FEED – FRIDAY DECEMBER 18, 2020 2:00PM CENTRAL TIME  
 USDA COLD STORAGE – TUESDAY DECEMBER 22, 2020 2:00PM CENTRAL TIME  
 USDA QUARTERLY HOGS AND PIGS– WEDNESDAY DECEMBER 23, 2020 2:00PM CENTRAL TIME

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**DELIVERY NOTICE SERVED – DECEMBER 2020 - LIVE CATTLE**  
**SETTLEMENT: DECEMBER 11, 2020 - \$108.75**  
**OLDEST LONG: 03/03/20 SETTLEMENT AT \$112.60**  
**0 DELIVERIES**

**USDA POSTED CATTLE PRICES ON 12/11/2020**  
**IA/MN – CASH - 104.00 head average weight 1,575 Dressed.- 164.00 on 39 head**  
**NE - CASH – 105.00 average weight 1,650 Dressed.- \$168.00 weight 961**  
**KS – CASH No Reportable Trade. Dressed - No Reportable Trade.**  
**TX/OK/NM – \$106.00 107 head weighing 1475**  
**CO – Information not available due to confidentiality**

**\*\*\*National Daily Direct Cattle 12/11/2020**  
**(5 day accumulated weighted avg)**

	Weight	Price	Head
Live Steer:	1487	\$106.74	17,647
Live Heifer:	1295	\$106.96	9,817
Dressed Steer:	974	\$167.96	9,639
Dressed Heifer:	866	\$168.38	3,765

**PREVIOUS WEEK**

**\*\*\*National Daily Direct Cattle 12/04/2020**  
**(5 day accumulated weighted avg)**



	Weight	Price	Head
Live Steer:	1495	\$109.89	43,858
Live Heifer:	1326	\$110.17	23,401
Dressed Steer:	982	\$172.46	12,811
Dressed Heifer:	875	\$172.85	5,012

**Boxed beef prices are dropping but with cash cattle prices down, packer margins remain excellent. The reality, when packers are making as much as they are now, they are going to kill as many cattle as possible. If Northern and Midwest cattle weren't as big as they are now, prices would be higher. Heavy cattle slow chain speed and with as much meat selling as trimmings and ground beef, there is enough beef.**

**Going into the end of the year, it is likely to see packers pay higher prices but only for cattle that meet the weights packers want. For overweight cattle, Yield Grade 4's and 5's, the feedlots won't benefit from higher prices, just the opposite and will likely see wider and deeper discounts. It obviously is beginning to happen. Thursday, cattle in Iowa/Minnesota weighing 1,575 - 1,625 sold from \$103.00 to \$104.00. Discounts into December could be \$15.00 or more depending how fast the heavy cattle take to clean up.**

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**Cattle feedlots holding heavy cattle are doing a disservice to themselves and to feedlots moving cattle lighter. The restaurant trade can use heavy cattle but right now, there is more concern how many restaurants can remain open versus what they could use under normal times. Japan takes fat heavy cattle but over the past years because of new trade agreements with Brazil and Japan a member of the Trans Pacific Partnership, sales have dropped and will likely drop more over time.**

**Packers are not only selling beef lower but dumping it. It may mean packers have fewer contracts for beef and are using daily market to clean up what isn't needed for contracted beef. Beef exports have cancellations week after week, and retailers that contracted beef could cancel loads or may be ordering fewer loads.**

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**Beef export net sales are pathetic. Only 3000 metric tonnes for 2020 and 6400 metric tonnes for 2021.**

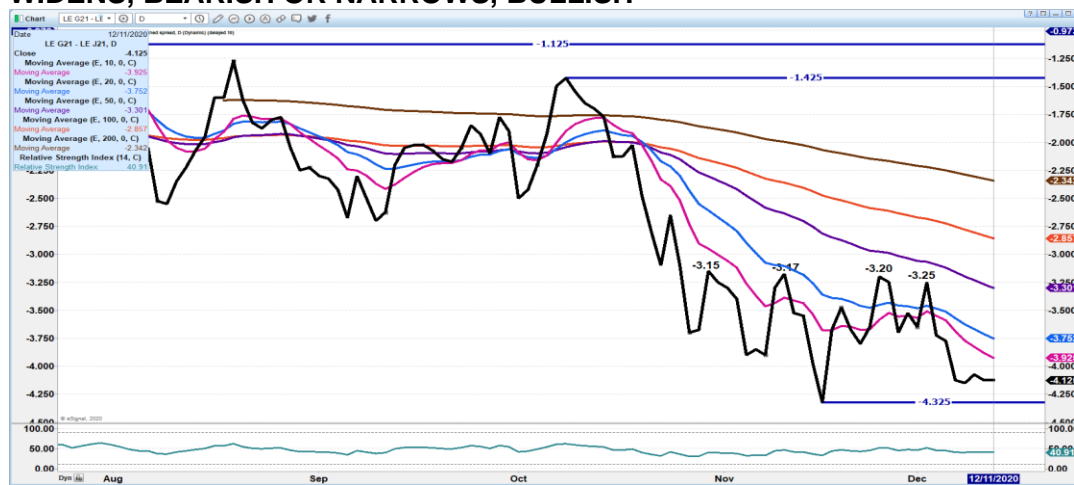
**With the cheap US Dollar, US beef should be flying out the door.**



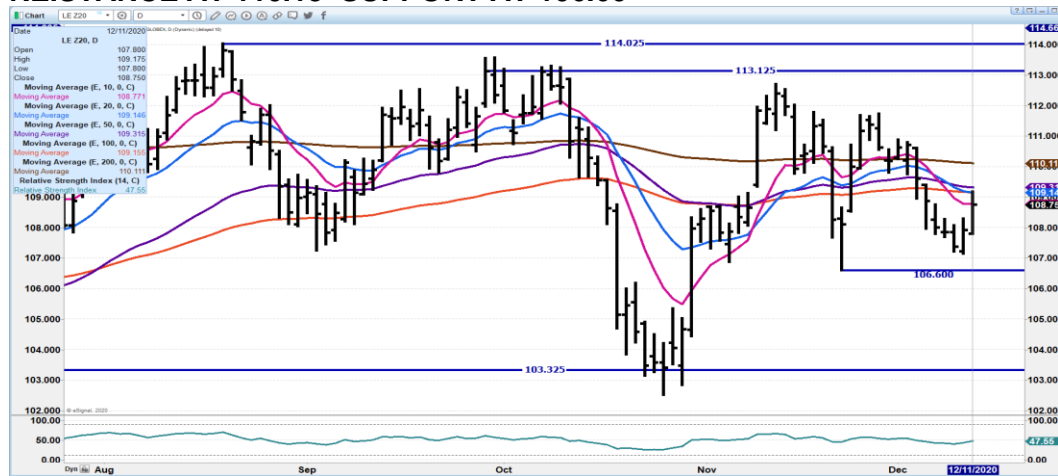


**As of December 8, 2020, dressed steer and heifer weights were 894.2 compared to previous week at 896.5 down 2.3 pounds from week ago and the same as last week, 21 pounds over a year ago. Grading percent was 81.9%, down compared to previous week at 81.9 %.**

**FEBRUARY 2021 LIVE CATTLE/APRIL 2021 LIVE CATTLE SPREAD - WATCH TO SEE IF WIDENS, BEARISH OR NARROWS, BULLISH**

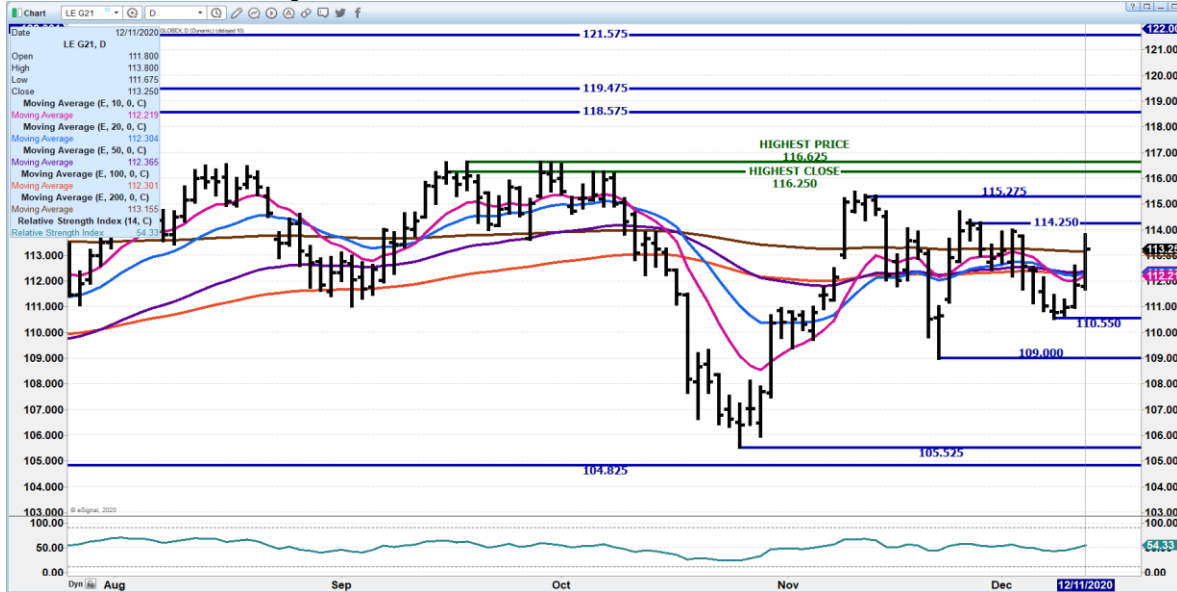


**DECEMBER 2020 LIVE CATTLE - MOVED TO RESISTANCE AT 10 DAY AVERAGE. NEXT REISTANCE AT 110.15 SUPPORT AT 106.60**

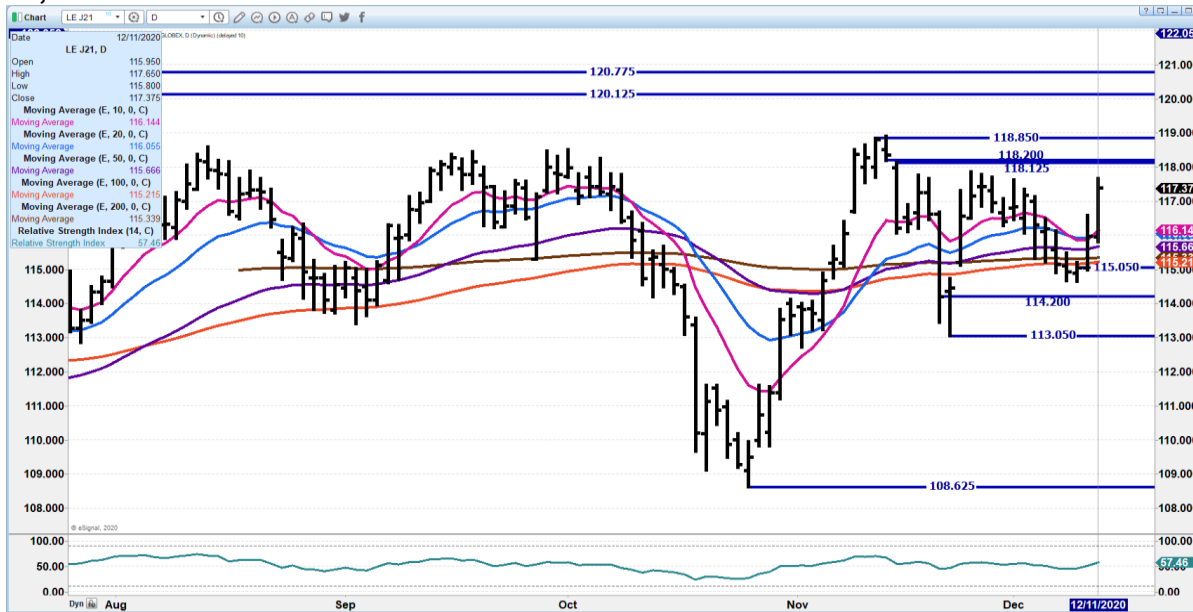




**FEBRUARY 2021 LIVE CATTLE – 114.25 resistance to 115.27 Support at 110.55 to 109.00 Volume Friday at 21319**



**APRIL 2021 LIVE CATTLE = 118.20 TO 118.85 SUPPORT AT 115.05 TO 114.20 VOLUME 12,151**



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## Feeder Cattle

**THE CME FEEDER INDEX ON 12/10/2020 WAS 136.66 DOWN 9 CENTS FROM PREVIOUS DAY**

**JANUARY 2021 FEEDER CATTLE FUTURES SETTLED ON DECEMBER 11, 2020 AT \$139.72**

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### **NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 12/11/2020**

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	354,700	27,000	5,500	387,200
LAST WEEK:	278,600	34,500	60,000	373,100
YEAR AGO:	347,200	34,400	1,900	383,500

COMPARED TO LAST WEEK, STEERS AND HEIFERS SOLD UNEVEN, RANGING FROM MOSTLY 5.00 LOWER TO 5.00 HIGHER. MANY LIGHTWEIGHT STEER CALVES SUITABLE FOR SUMMER GRAZING WEIGHING 300-450 LBS ARE STILL SELLING NEAR OR ABOVE THE 2.00/LB LEVEL ARE SELLING WITH GOOD DEMAND. YEARLINGS ARE STILL IN DEMAND, BUT IN MANY CASES AT LOWER PRICES BUT BUYERS ARE STILL SEEKING BIG YEARLINGS THAT WILL SQUEEZE INTO THE APRIL HARVEST SLOT. THE LARGE VOLUME SALES THIS WEEK FROM OKLAHOMA THROUGH THE NORTHERN PLAINS HAD VERY LARGE OFFERINGS OF FEEDERS AS MANY ARE BRINGING CALVES TO TOWN BEFORE THE END OF THE YEAR AS RECEIPTS AT THESE LARGE VOLUME AUCTIONS SWELLED UP WITH SEVERAL SELLING FROM 6,000 HEAD TO OKLAHOMA CITY'S NEAR 17,000 HEAD ON MONDAY.

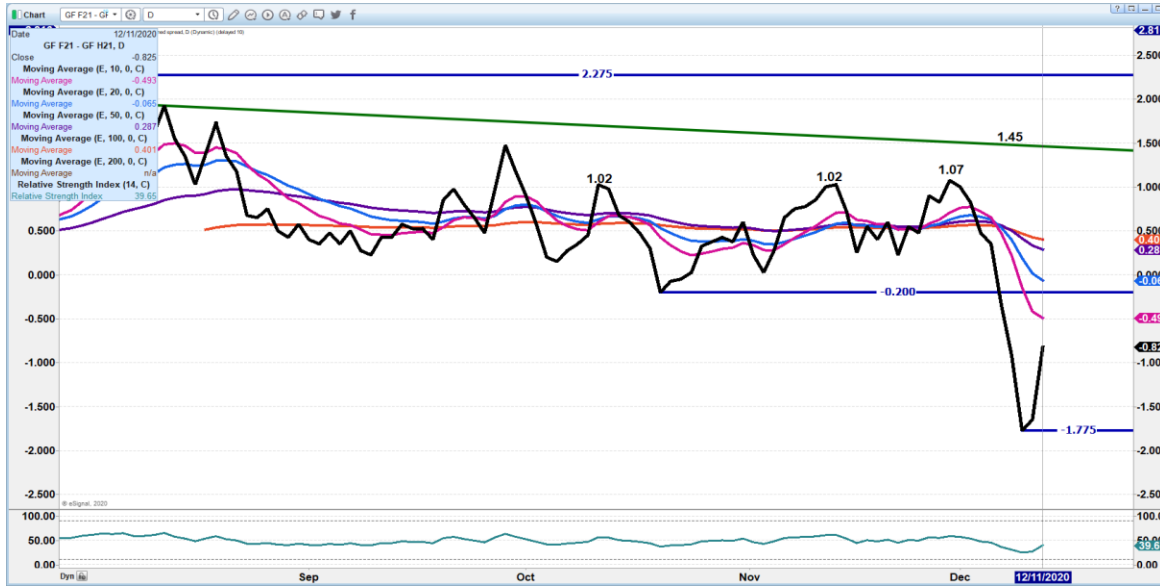
[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/SJ\\_LS850.TXT](https://www.ams.usda.gov/mnreports/sj_ls850.txt)

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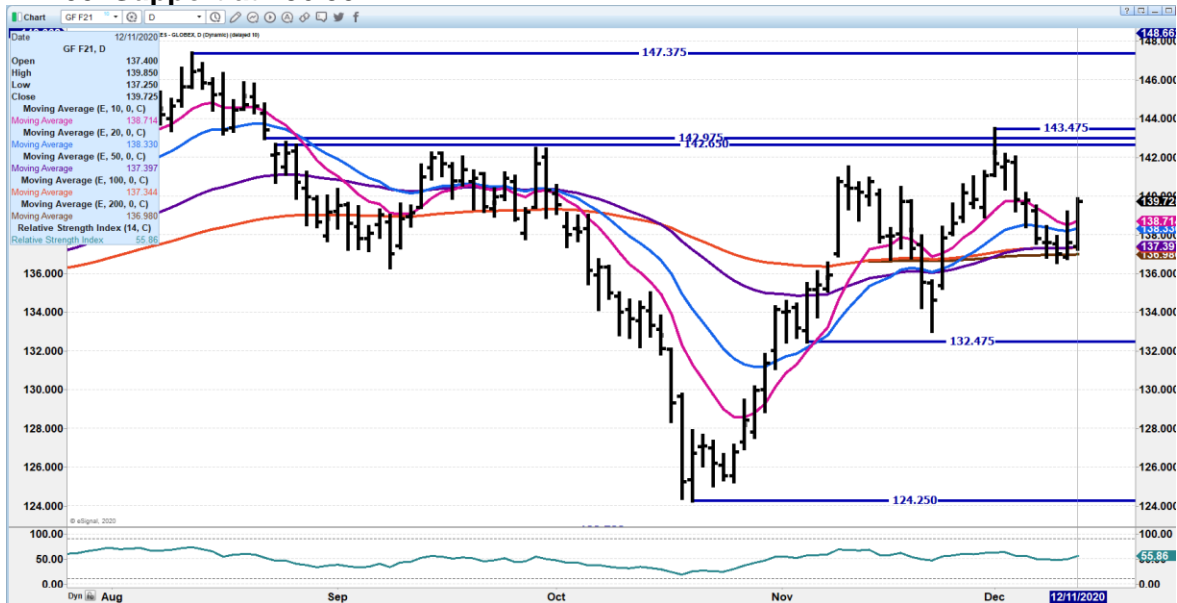
**IF FEEDERS CONTINUE TO DROP IT INDICATES PACKER FEEDLOTS AND FORMULA CONTRACT FEEDLOTS DON'T HAVE ADVANCE BEEF ORDERS. VERY LIKELY WITH NEGATIVE EXPORTS.**

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**JANUARY 2021/MARCH 2021 FEEDER CATTLE SPREAD – REMAINS NARROW, IT IS FRIENDLY NOW. WATCH FOR NARROWING OR WIDENING**



**JANUARY 2021 FEEDER CATTLE – Above all moving averages. Next resistance at 142.00 Support at 136.50**



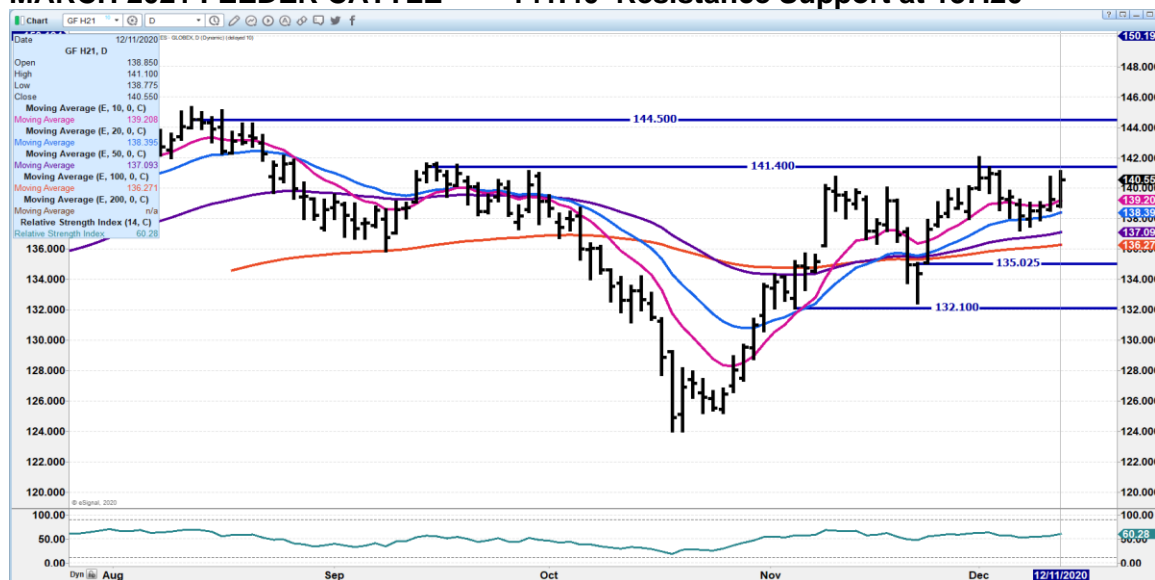




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### MARCH 2021 FEEDER CATTLE - 141.40 Resistance Support at 137.20



### LEAN HOGS

#### USDA ESTIMATED FEDERAL HOG SLAUGHTER

DECEMBER 11, 2020	490,000
WEEK AGO	491,000
YEAR AGO	486,000
SATURDAY 12/12/2020	314,000- A WEEK AGO 319,000 - YEAR AGO 313,000
WEEK TO DATE (EST)	2,776,000
SAME PERIOD LAST WEEK (EST)	2,777,000
SAME PERIOD LAST YEAR (ACT)	2,772,000
2020 YEAR TO DATE	124,336,000
2019 *YEAR TO DATE	123,445,000

PERCENT CHANGE YEAR TO DATE .7% COMPARED TO PREVIOUS WEEK AT .8%

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**CME CASH HOG INDEX 12/09/2020 AT 65.61 DOWN 5 CENTS FROM PREVIOUS DAY  
PREVIOUS WEEK 12/02/2020 AT 66.55**

**CME CASH PORK CUTOUT INDEX 12/10/2020 AT 78.05 UP 41 CENTS FROM PREVIOUS  
DAY  
PREVIOUS WEEK 12/03/2020 AT 78.42**

**CME CASH FRESH BACON INDEX ON 12/04/2020 WAS 126.66 COMPARED TO  
11/27/2020 WAS 123.40**

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For the week the pork cutout was up \$1.54 Both loins and hams were up for the week but overall pork movement has been down on daily market. Pork is selling but in US markets is competing with cheaper ground beef and chicken.

Exports were good this week and they should be. The US Dollar makes buying US pork a bargain. Mexico is the best buyer week after week but US pork market needs to see China come in with big orders, and South Korea and Japan buy more.

The CME pork and hog market has been stagnant over the past week. For the week, the CME Pork Index was off just 37 cents and Lean Hog Index was 6 cents higher compared to a week ago.

Futures have been dropping on expectations of larger global supplies as China will surpass levels pre-African Swine Fever in January and increasing throughout 2021, Brazil is expected to have over 4% more hogs. Ukraine, Argentina and the European Union are expected to see increasing hog numbers. Add in more beef and poultry in 2021 and unless there is a breakout in ASF, the outlook looks bleak for any sustained rallies.

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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 DECEMBER 11, 2020**

**LOADS OF PORK CUTS: 355.28**

**LOADS TRIM/PROCESSED PORK: 51.81**

**FINAL**



Date	Loas	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
12/11/2020	407.09	79.71	72.48	69.23	60.77	131.53	92.53	92.36
CHANGE :		1.28	2.99	1.26	-3.02	0.95	0.63	4.74
Five Day Average --		78.35	70.36	68.74	61.53	132.67	89.78	90.81

**FINAL PREVIOUS WEEK'S CLOSE**

Date	Loas	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
12/04/2020	347.84	78.17	69.76	66.65	62.98	132.42	88.03	93.30

**NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE  
SLAUGHTER DATA FOR DECEMBER 9, 2020**

Average live weight - 289.25  
Average carcass - 216.87

**PREVIOUS MONTH 11/11/2020**

Average live weight - 287.52  
Average carcass - 215.79

**PREVIOUS YEAR 12/11/2019**

Average live weight - 285.48  
Average carcass - 214.59

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**DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM DECEMBER 9, 2020  
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**

Carcass Base Price: \$48.00 - \$56.00  
Weighted Average: \$53.44  
Change from Prior Day: 0.77 lower  
HOGS SOLD: 7,860

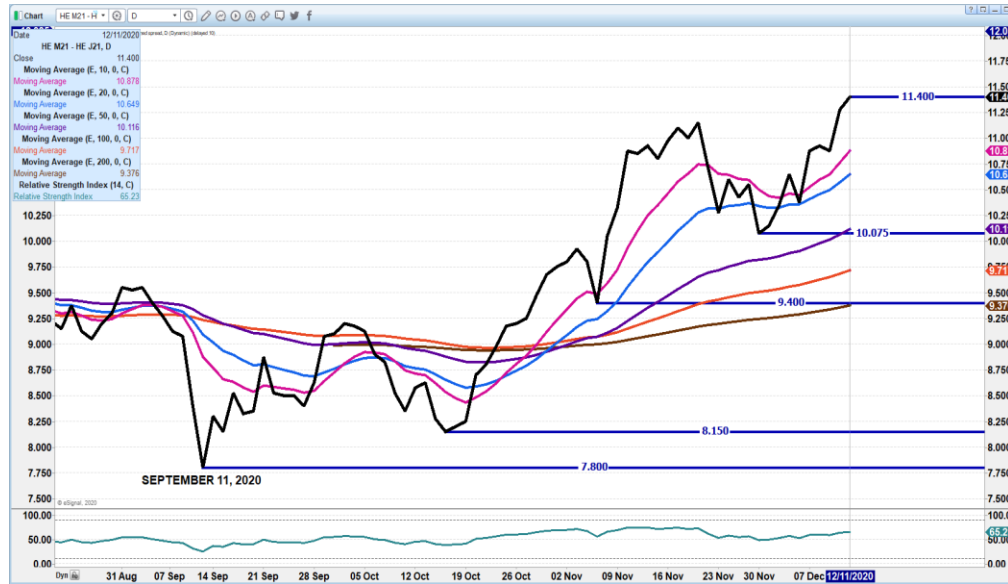
**SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)**

PRICE RANGE: \$52.79 - \$74.00  
Weighted Average: \$63.44  
Previous Day: \$64.48  
HOGS SOLD: 192,253



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

**JUNE/APRIL LEAN HOG SPREAD – CONTINUES TO WIDENING ON SPEC TRADING**



**FEBRUARY 2021 LEAN HOGS – SUPPORT 62.87 TO 61.47 RESISTANCE AT 65.37 TO 66.75 VOLUME AT 21.319**



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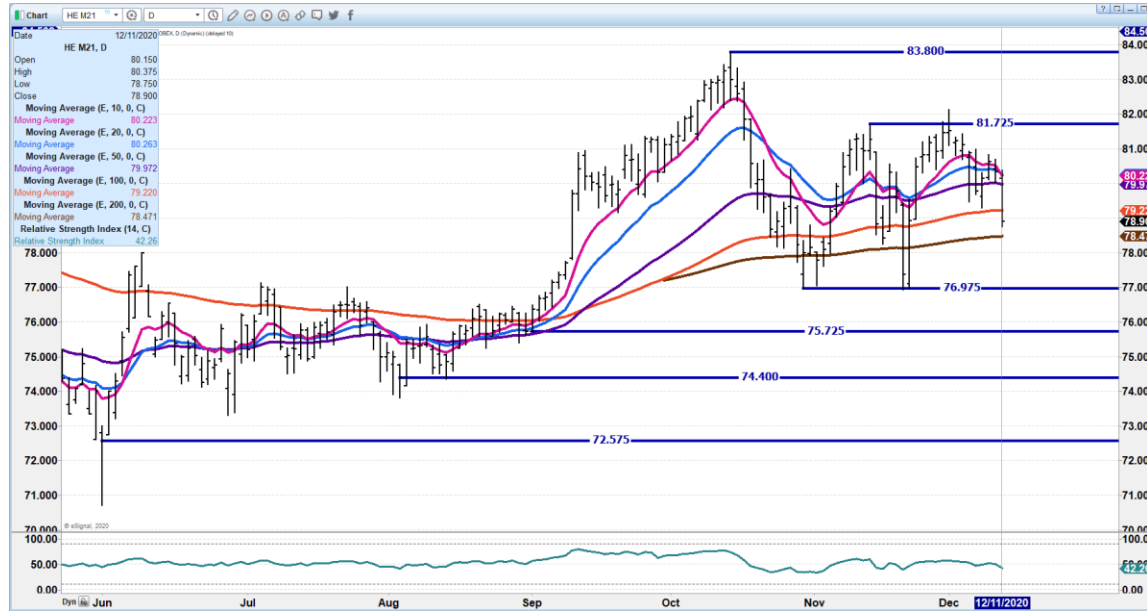




**APRIL 2021 LEAN HOGS - SUPPORT AT 66.27 RESISTANCE AT 69.37**



**JUNE 2021 LEAN HOGS – SUPPORT AT 76.97 RESISTANCE AT 79.87**



**CHARTS FROM ESIGNAL INTERACTIVE, INC.**