



THURSDAY MORNING DECEMBER 23, 2020 LIVESTOCK REPORT

by Chris Lehner | 312.242.7942 | chris.lehner@admis.com

HOGS AND PIGS REPORT IN HOG PAGES 13 AND 14

CATTLE

USDA FEDERAL CATTLE SLAUGHTER

DECEMBER 23, 2020	116,000
WEEK AGO	120,000
YEAR AGO	0,000
WEEK TO DATE (EST)	354,000
SAME PERIOD LAST WEEK (EST)	357,000
SAME PERIOD LAST YEAR (ACT)	155,000

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	CHOICE	SELECT
BOXED BEEF FINAL	207.54	197.93
CHANGE FROM PRIOR DAY	(3.13)	(1.66)
CHOICE/SELECT SPREAD:	9.62	
TOTAL LOAD COUNT	119	
5 DAY SIMPLE AVERAGE:	209.39	195.38

PREVIOUS WEEK 12/18/2020	CHOICE	SELECT
BOXED BEEF FINAL PRICE	208.63	194.27

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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 23, 2020

Primal Rib	339.42	306.32
Primal Chuck	177.12	175.55
Primal Round	183.97	182.29
Primal Loin	264.38	241.66
Primal Brisket	156.53	155.52
Primal Short Plate	115.34	115.34
Primal Flank	94.69	91.22



**PREVIOUS WEEK'S CLOSE
FINAL DECEMBER 18, 2020**

Primal Rib	390.68	310.47
Primal Chuck	171.26	169.23
Primal Round	178.31	176.28
Primal Loin	258.11	238.61
Primal Brisket	153.36	153.85
Primal Short Plate	113.45	113.45
Primal Flank	90.94	89.68

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LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 6 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
12/22	79	23	10	33	145	210.67	199.59
12/21	71	16	14	9	110	210.92	197.26
12/18	76	18	13	7	115	208.63	194.27
12/17	64	18	7	14	103	209.51	193.70
12/16	84	26	3	31	143	207.22	192.09

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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	68.18 loads	2,727,166 pounds
Select Cuts	23.48 loads	939,195 pounds
Trimming	9.85 loads	394,164 pounds
Ground Beef	17.58 loads	703,395 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)

DELIVERY NOTICE SERVED – DECEMBER 2020 - LIVE CATTLE

SETTLEMENT: DECEMBER 23, 2020 - \$111.92

OLDEST LONG: 11/18/20 SETTLEMENT AT \$110.65

0 DELIVERIES

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USDA POSTED CATTLE PRICES ON 12/23/2020

IA/MN – CASH 106.00 - 110.00 weight 1,425 - 1,590 Dressed.- 168.00 - 172.00

NE - CASH – 108.00 - 110.00 Dressed.- 172.00

KS – CASH 109.00 - 110.00 Dressed - 172.00.

TX/OK/NM – 110.00

CO – Information not available due to confidentiality

*****National Daily Direct Cattle 12/23/2020
(5 day accumulated weighted avg)**

	Weight	Price	Head
Live Steer:	1482	\$106.18	25,994
Live Heifer:	1354	\$106.70	8,177
Dressed Steer:	988	\$165.53	7,383
Dressed Heifer:	859	\$167.35	4,127

Fed Cattle Exchange Dec 23, 2020 sold 545 head for \$110.00. There were a total of 803 head for sale , all heifers.

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As expected packers paid up for Southwestern cattle. Prices on Fed Cattle Exchange at \$110. Look for packers to discount heavy cattle more with Yield Grade 4s and 5s discounted \$10 to \$15 until heavy cattle are cleaned up probably mid to late January 2021. Feedlots in the Southwest are asking \$110 to \$112 knowing the have the cattle weighing packers can use. Choice beef spread is narrowing and mixed loads of Choice and Select in the Southwest aren't being discounted but bringing some of the highest prices in the country.

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With increasing COVID around the world, and expectations of it surging after the holidays look for a drop in export demand. Exports are already bad, and it doesn't appear they will get much better in 2021. Besides COVID Brazil expects 2% more cattle in 2021 with increasing cattle numbers in South Korea.

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One of the most obvious concerns US cattle and hog producers can see is how grain and oil seeds are being sold. Global demand for feed means increasing global cattle and hog numbers. Cattle and Feed report showed placements down in the US but it comes at a time when world livestock numbers are increasing and demand for US beef exports are down.

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Chart: LE G21 - LI - D

LE G21 - LI - D

Chart showing price movement (Close) and various moving averages (MA) and Relative Strength Index (RSI) for LE G21 - LI - D from July to December 2020.

Key price levels and RSI values:

- Close: -0.413
- Moving Average (E, 10, 6, C): -0.875
- Moving Average (E, 20, 6, C): -1.125
- Moving Average (E, 50, 6, C): -1.425
- Moving Average (E, 100, 6, C): -1.500
- Moving Average (E, 200, 6, C): -1.600
- Relative Strength Index (14, C): -3.80
- Relative Strength Index (14, C): -4.325
- Relative Strength Index (14, C): -3.511
- Relative Strength Index (14, C): -3.976
- Relative Strength Index (14, C): -3.604
- Relative Strength Index (14, C): -2.750
- Relative Strength Index (14, C): -2.607
- Relative Strength Index (14, C): -2.416
- Relative Strength Index (14, C): -2.250
- Relative Strength Index (14, C): -2.000
- Relative Strength Index (14, C): -1.750
- Relative Strength Index (14, C): -1.500
- Relative Strength Index (14, C): -1.250
- Relative Strength Index (14, C): -1.000
- Relative Strength Index (14, C): -0.750
- Relative Strength Index (14, C): -0.500
- Relative Strength Index (14, C): -0.250
- Relative Strength Index (14, C): 0.000
- Relative Strength Index (14, C): 0.250
- Relative Strength Index (14, C): 0.500
- Relative Strength Index (14, C): 0.750
- Relative Strength Index (14, C): 1.000
- Relative Strength Index (14, C): 1.250
- Relative Strength Index (14, C): 1.500
- Relative Strength Index (14, C): 1.750
- Relative Strength Index (14, C): 2.000
- Relative Strength Index (14, C): 2.250
- Relative Strength Index (14, C): 2.500
- Relative Strength Index (14, C): 2.750
- Relative Strength Index (14, C): 3.000
- Relative Strength Index (14, C): 3.250
- Relative Strength Index (14, C): 3.500
- Relative Strength Index (14, C): 3.750
- Relative Strength Index (14, C): 4.000
- Relative Strength Index (14, C): 4.250
- Relative Strength Index (14, C): 4.500
- Relative Strength Index (14, C): 4.750
- Relative Strength Index (14, C): 5.000



APRIL 2021/JUNE 2021 LIVE CATTLE SPREAD - SPREAD HAS BEEN WIDENING AND LIKELY WILL CONTINUE TO WIDEN



DECEMBER 2020 LIVE CATTLE - STRONG MOVE TO UPSIDE. RESISTANCE AT 114.40 TO 113.12 SUPPORT AT 110.00

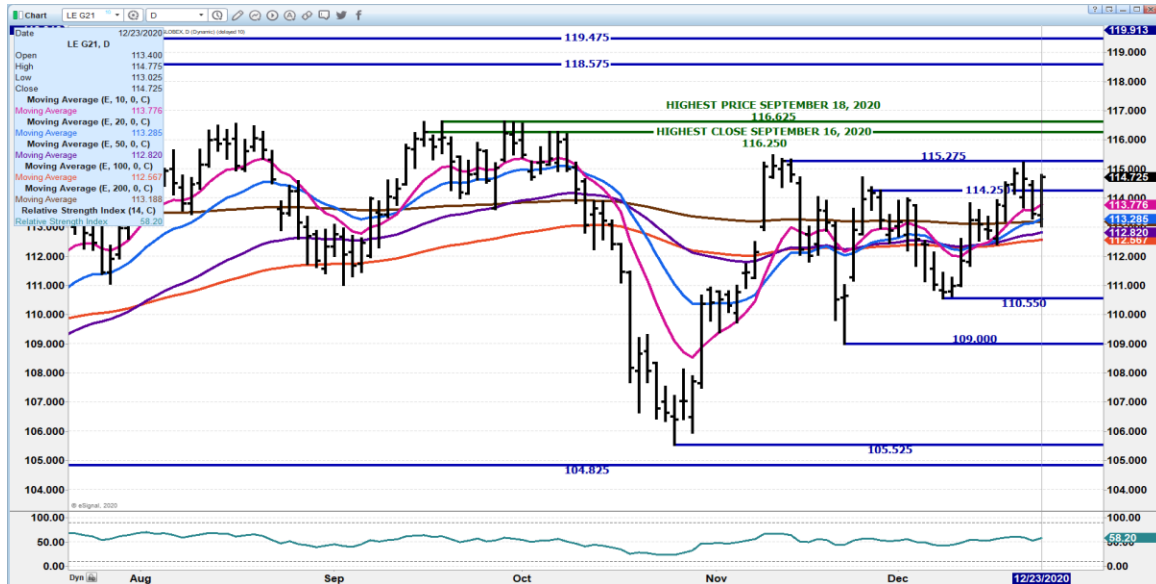


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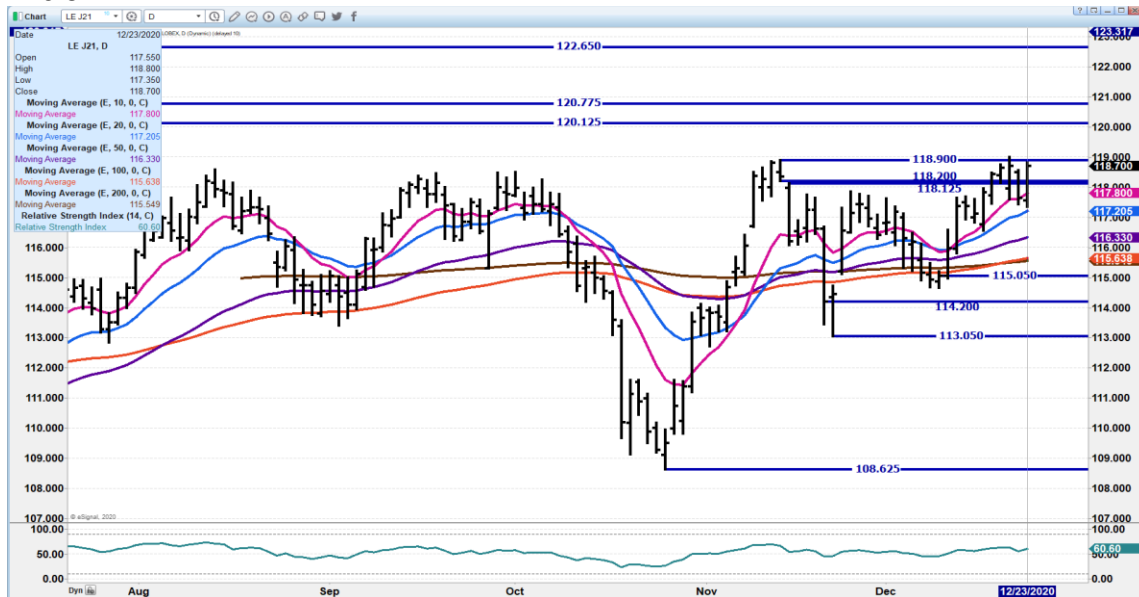
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FEBRUARY 2021 LIVE CATTLE – Volume 15,477 Resistance at 115.27 to 116.62 Support at 113.20 to 112.50



APRIL 2021 LIVE CATTLE - RESISTANCE AT 118.90 TO 120.17 SUPPORT AT 117.20 TO 116.37



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Feeder Cattle

THE CME FEEDER INDEX ON 12/21/2020 WAS 139.74 UP 18 CENTS FROM PREVIOUS DAY – UPDATE ON MORNING REPORT

JANUARY 2021 FEEDER CATTLE FUTURES SETTLED ON DECEMBER 23, 2020 AT \$140.27

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CONTRACT FEEDLOTS AND PACKER OWNED FEEDLOTS ARE BUYING MINIMUM NUMBERS AS REPLACEMENTS. IT COULD BE AN INDICATION BEEF CONTRACTED INTO 2021 IS GOING TO BE LESS THAN 2020.

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MARCH 2021/APRIL 2021 FEEDER CATTLE SPREAD – SPREAD IS WIDENING. CONTINUES TO WIDEN,

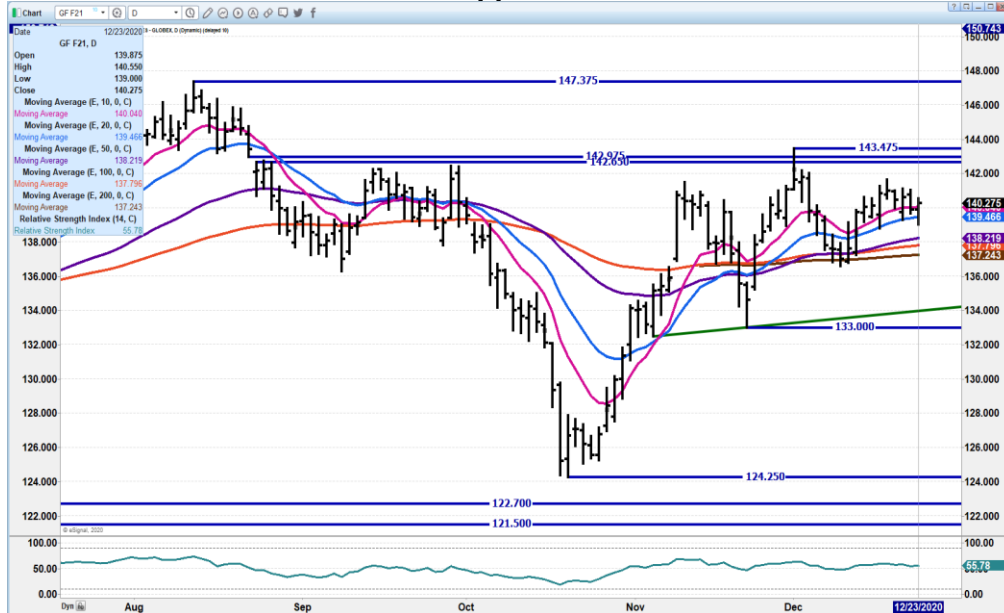


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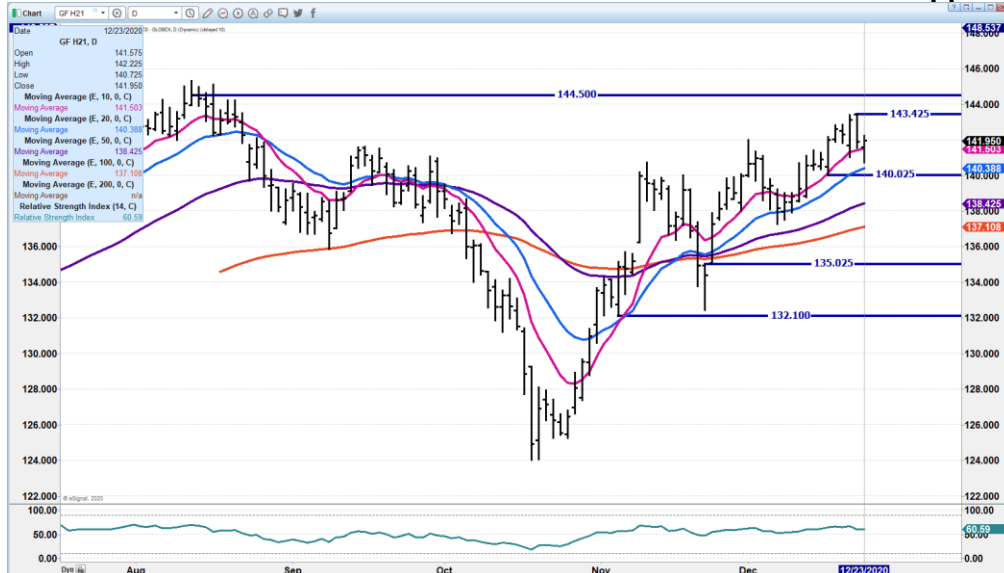
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JAN 2021 FEEDER CATTLE – Support at 138.20 to 137.10 resistance at 142.65 to 143.47



MARCH 2021 FEEDER CATTLE – 143.42 to 144.50 Resistance Support at 140.02



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

DECEMBER 23, 2020	451,000
WEEK AGO	483,000
YEAR AGO	0,000
WEEK TO DATE (EST)	1,411,000
SAME PERIOD LAST WEEK (EST)	1,464,000
SAME PERIOD LAST YEAR (ACT)	659,000

****REVISED TUESDAY HOG SLAUGHTER..473,000 PREVIOUS ESTIMATE 480,000**

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CME CASH HOG INDEX 12/21/2020 AT 62.04 DOWN 51 CENTS FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 12/23/2020 AT 71.88 DOWN 1.30 FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 12/18/2020 WAS 117.35 COMPARED TO 12/11/2020 WAS 121.99

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USDA HOGS/PIGS REPORT DECEMBER 23, 2020

	Ranges	Average	ACTUAL
All hogs Dec. 1	97.2-100.3	99	99
Kept for breeding	97.2-98.5	98.1	97
Kept for market	97.1-100.5	99	99
Pig crop			
September-November	95.2-98.4	96.5	99
Weight Groups			
Under 50 lbs	95.8-98.9	98	99
50-119 lbs	96.9-100.2	98.2	98
120-179 lbs	97.6-101.8	99.2	100
Over 180 lbs	96.6-104.7	100.5	100



Farrowings

September-November	95.3-97.4	96.3	99
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Farrowing intentions

December-February	96.6-99.3	98.3	102
March-May	95.5-99.5	98.2	99

Pigs per litter

September-November	11.05 in 2020 compared to 11.09 in 2019
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Christopher Lehner opinion –

Report is in line with estimates. The drop in prices of last spring did next to nothing to reduce hog inventory for 2021. Looks like COVID farm payments made up for losses and as it happened last spring as hogs dropped in price, formula contract hogs during the time were not hurt with drop in prices as were the producers selling direct negotiated hogs. There will be about 1 percent fewer hogs in 2021 but over the next month and half to two months, there should be about the same as 2019.

Look for February to lose to April on Friday. January, February and April should move lower, down \$1.50 to possibly limit. With February Lean Hogs currently close to \$6.00 over current CME Index and the most actively traded month, limit down is a possibility shortly after opening on Friday.

With increasing global hog numbers in 2021, the report is bearish. Summer months, June, July and August 2021 with increasing hogs in China are vulnerable to steep drops as are fall and remainder of 2021 hogs.

Friday, December 24, 2020 lean hogs could easily open up \$1.50 or lower with February limit down. June2021/April 2021 Lean Hog spread will continue to favor June over the next month.

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From Friday's close on the pork cutout it has dropped on the 5 day average \$3.23. Loins are up 40 cents and hams have fallen out of bed down \$14.44. Hams have been the leader supporting the hogs but now are an anchor. Pork is cheap, it is why it is selling. Exports have been strong but in 2021 it will be a different story as China and other countries ramp up production.

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After China finishes their New Year's buying of pork, look for stricter inspections on US ships and plane deliveries

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Watching individual pork primal cuts day to day will give false/ positive indicators. Trade the 5 day average and compare to previous week's change. If you give too much credence to individual cuts from one day to the next, it is like being on a teeter totter.

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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 23, 2020

LOADS OF PORK CUTS: 247.33

LOADS TRIM/PROCESSED PORK: 33.58

****This report will not be published Thursday, 12/24/20 due to Federal Holiday****

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
12/23/2020	280.91	69.34	68.80	72.55	55.64	140.71	55.77	87.22
Change		1.18	-0.90	2.36	1.59	0.74	1.94	1.81
Five Day Average --		70.91	70.48	71.23	57.21	137.70	60.58	88.63

FINAL PREVIOUS WEEK'S CLOSE

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
12/18/2020	343.89	71.47	69.44	72.21	57.95	135.06	65.80	85.86
Five Day Average --		74.14	70.08	71.30	59.76	133.66	75.02	87.17

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

Average live weight - 286.16

Average carcass - 214.16

****This report will not be published Thursday, 12/24/20 due to Federal Holiday****

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DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM DECEMBER 23, 2020 NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES

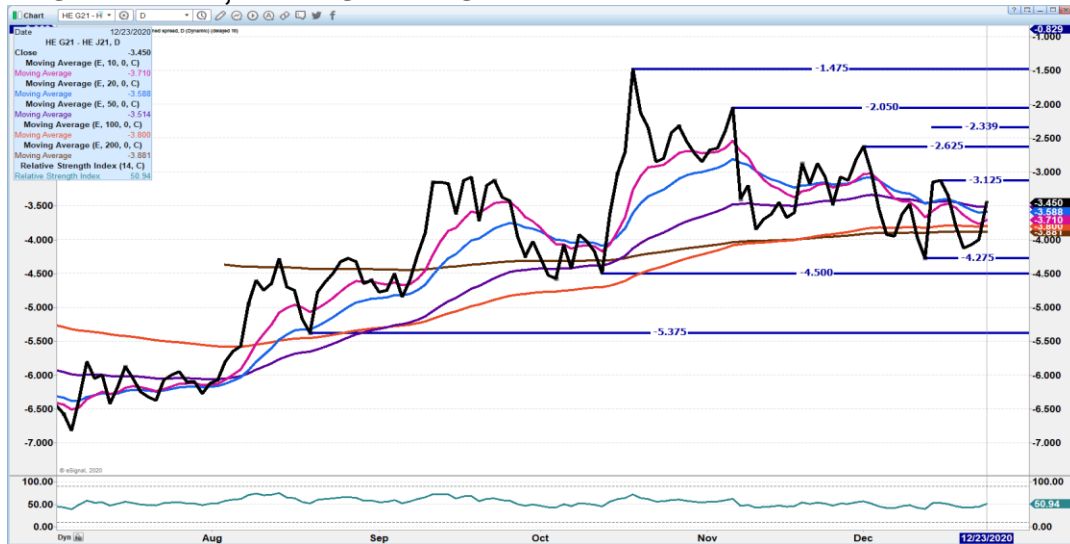


Carcass Base Price: \$44.00 - \$52.00
Weighted Average: \$50.44
Change from Prior Day: 0.88 lower
HOGS SOLD 9,110

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)
PRICE RANGE: \$49.77 - \$70.42
Weighted Average: \$59.67
Previous Day: \$61.10
HOGS SOLD: 137,516

https://www.ams.usda.gov/mnreports/lm_hq203.txt

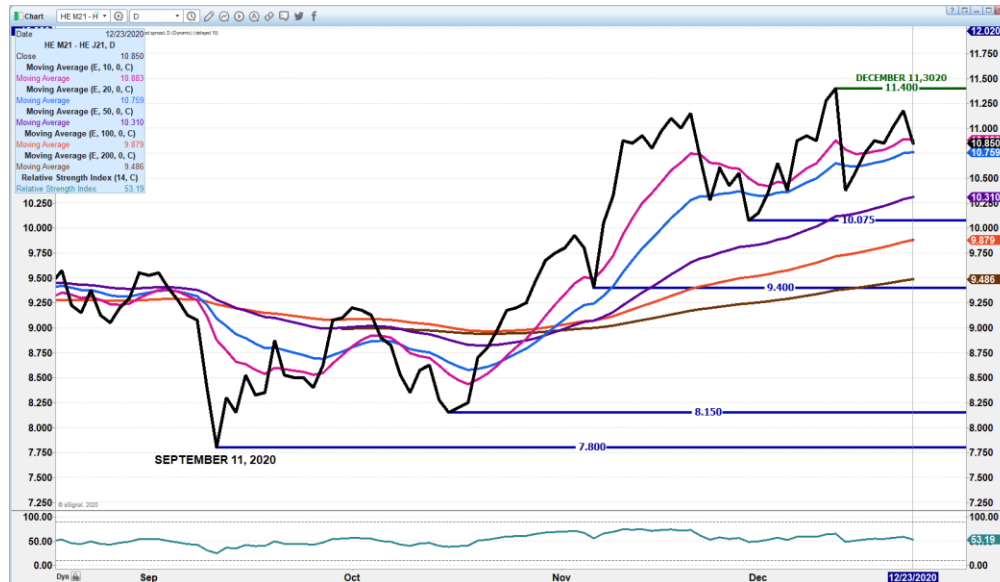
FEBRUARY/APRIL 2021 LEAN HOG SPREAD – UPTICK TO RESISTANCE. IF NARROWS IT IS FRIENDLY, WIDENS BEARISH



JUNE/APRIL LEAN HOG SPREAD – LOOK FOR SPREAD TO CONTINUE TO WIDEN FAVORING JUNE IN JANUARY

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FEBRUARY 2021 LEAN HOGS – RESISTANCE 68.37 TO 69.60 SUPPORT AT 65.70 VOLUME 16,121

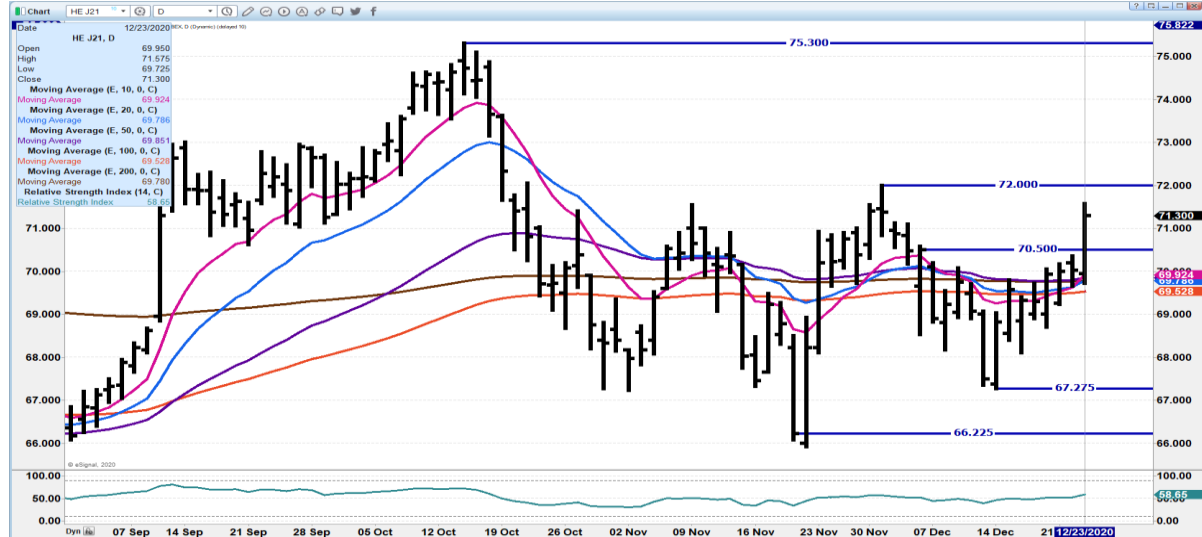


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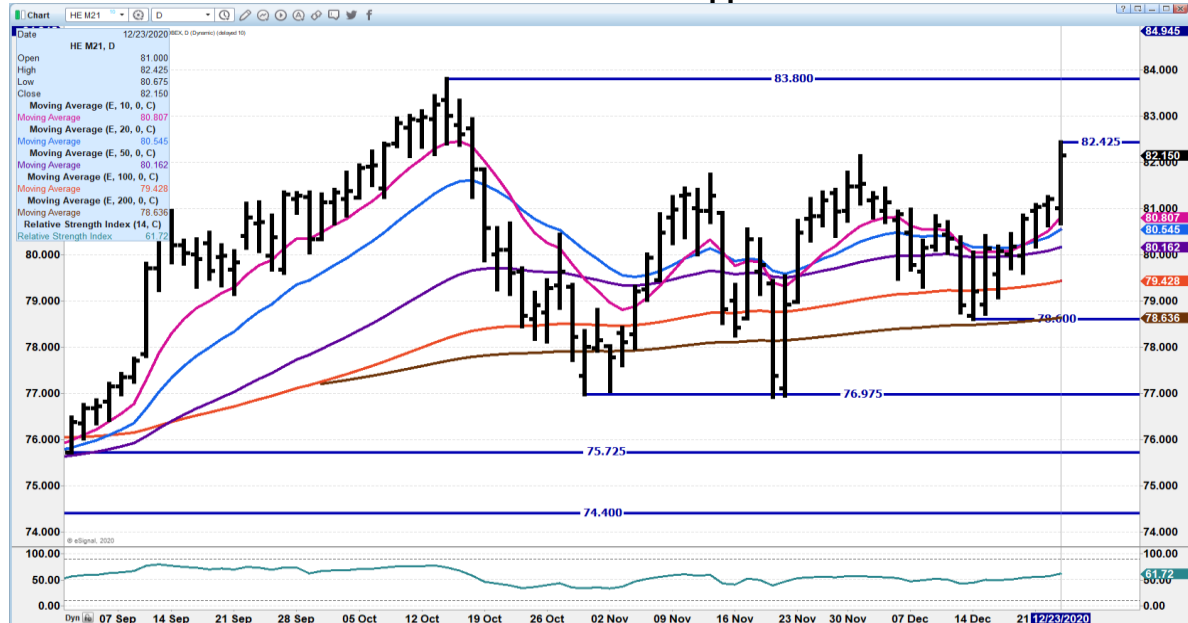
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APRIL 2021 LEAN HOGS – RESISTANCE AT 72.00 SUPPORT AT 69.90 TO 69.37



JUNE 2021 LEAN HOGS – Resistance at 83.80 Support at 89.87



CHARTS FROM ESIGNAL INTERACTIVE, INC.

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