



WEDNESDAY MORNING DECEMBER 30, 2020 LIVESTOCK REPORT

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

DECEMBER 28, 2020	116,000
WEEK AGO	119,000
YEAR AGO	101,000
WEEK TO DATE (EST)	235,000
SAME PERIOD LAST WEEK (EST)	238,000
SAME PERIOD LAST YEAR (ACT)	220,000

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	CHOICE	SELECT
BOXED BEEF FINAL	210.30	195.48
CHANGE FROM PRIOR DAY	2.48	(1.17)
CHOICE/SELECT SPREAD:		14.82
TOTAL LOAD COUNT		144
5 DAY SIMPLE AVERAGE:	209.12	197.14

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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 29, 2020

Primal Rib	368.09	288.29
Primal Chuck	178.48	176.09
Primal Round	186.22	185.05
Primal Loin	259.77	239.96
Primal Brisket	158.62	147.11
Primal Short Plate	107.22	107.22
Primal Flank	96.03	96.87

FINAL DECEMBER 28, 2020

Primal Rib	348.81	291.92
Primal Chuck	177.05	175.30
Primal Round	184.14	186.15
Primal Loin	262.12	240.77
Primal Brisket	156.66	153.93
Primal Short Plate	110.59	110.59



Primal Flank 94.97 96.68

END OF THE YEAR 2019

	CHOICE	SELECT
BOXED BEEF FINAL 12/31/19	209.42	202.12
CHANGE FROM PRIOR DAY	(0.24)	(3.29)
CHOICE/SELECT SPREAD:		7.30
TOTAL LOAD COUNT		228
5 DAY SIMPLE AVERAGE:	209.87	203.30

FINAL DECEMBER 31, 2019	CHOICE	SELECT
Primal Rib	336.99	320.94
Primal Chuck	173.02	169.40
Primal Round	179.00	179.72
Primal Loin	265.75	245.57
Primal Brisket	185.11	181.50
Primal Short Plate	147.29	147.29
Primal Flank	109.78	107.19

LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 6 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
12/28	86	36	23	16	160	207.82	196.65
12/23	68	23	10	18	119	207.54	197.93
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

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	92.44 loads	3,697,513 pounds
Select Cuts	18.12 loads	724,937 pounds
Trimming	11.06 loads	442,400 pounds
Ground Beef	22.23 loads	889,129 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 29, 2020 - \$112.05
 OLDEST LONG: 12/04/20 SETTLEMENT AT \$108.87
 0 DELIVERIES**

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USDA POSTED CATTLE PRICES ON 12/29/2020
 IA/MN – CASH – 492 head weighing 1,525 - 1,575 at \$110.00 and 108.00 on 80 heifers
 Dressed.- No Reportable Trade.
 NE - CASH – 110.00 – on 422 head weighing 1500
 KS – CASH No Reportable Trade.
 TX/OK/NM – No Reportable Trade.
 CO – Information not available due to confidentiality

*****National Daily Direct Cattle 12/29/2020
 (5 day accumulated weighted avg)**

	Weight	Price	Head
Live Steer:	1486	\$109.00	33,264
Live Heifer:	1314	\$109.41	16,309
Dressed Steer:	969	\$171.57	17,577
Dressed Heifer:	869	\$172.40	4,146

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Choice boxed beef prices are going to end 2020 much like they settled in 2019. A year ago on December 31, 2019 Choice Boxed beef settled the year at \$209.42. Current price is \$210.05.

There was a difference in cattle futures between the end of 2019 and the present. December 2019 Live Cattle settled at \$124.70 and as of the close on December 29, 2020, December 2020 Live Cattle closed the day at \$112.05

Cash cattle prices the last week of 2019 were \$125.00 live weight and dressed at \$195.00



On December 31st February 2020 Live Cattle settled at \$125.92. April 2020 Live Cattle settled at \$127.17. June 2020 Live Cattle Settled at \$118.90

Spreads were also different. On December 31, 2019, the February 2020/April 2020 Live Cattle Spread had February minus \$1.25 under April and the February 2021/April 2021 closed out today at

Reports started talking about the Coronavirus starting up in China but with narrow spreads, cattle futures were looking for higher prices in 2020.

On December 31, 2019 I reported that Brazil was taking over global beef exports especially to China and titled the report , *U.S BEEF EXPORTS NEED TO BECOME A SLICE OF THE BEEF PIE GOING TO CHINA*. The writing was on the wall at the end of 2019 and 2020 proved it true with Brazil exporting more beef just to China than the U.S. exports to all global buyers. For 2021, expect to see increasing global Brazilian beef exports as U.S. beef exports decline.

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China Meat Association calls for exporters to disinfect shipments to prevent COVID-19

<https://www.thepigsite.com/news/2020/12/china-meat-association-calls-for-exporters-to-disinfect-shipments-to-prevent-covid-19>

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Normally, beef sales slow in January and with the extra weight cattle in the North and Midwest the heavier carcasses won't help prices unless packers pay premiums for cattle they want. Expect to see buyers discounting overfed cattle. Until big cattle are cleaned up, premiums could be paid for right weight cattle that may or may not be included in USDA prices, a cash grade premium. Packers are also indiscriminate how they are buying cattle in the South and Southwest. As long as cattle aren't too heavy, buyers pay the same for steers and heifers and Choice and Select.

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FEBRUARY 2021 LIVE CATTLE/APRIL 2021 LIVE CATTLE SPREAD - CONTINUED WIDENING IS NEGATIVE



DECEMBER 2020 LIVE CATTLE - LAST TRADING DAY TODAY OPEN INTEREST 227

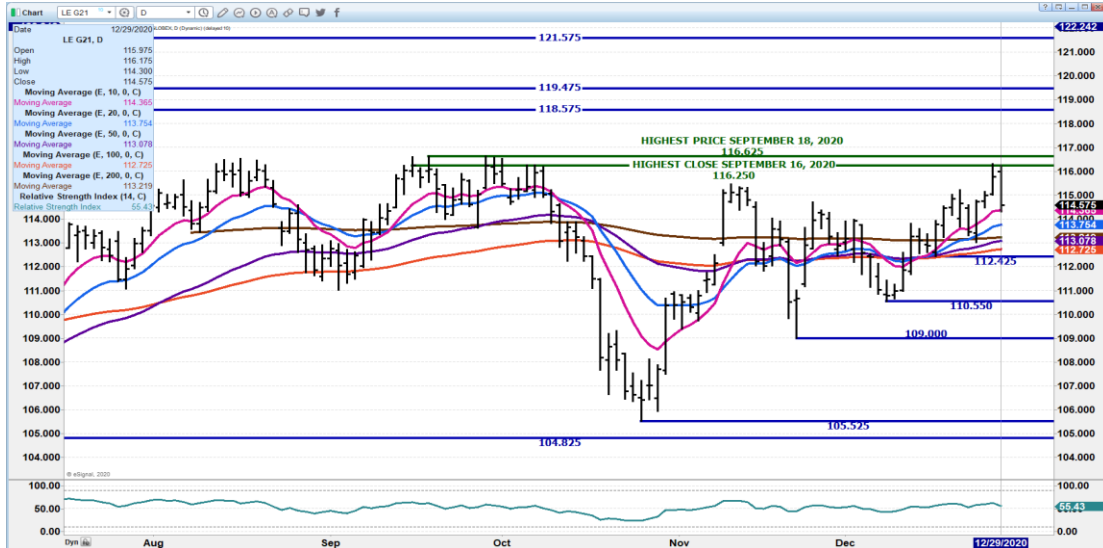


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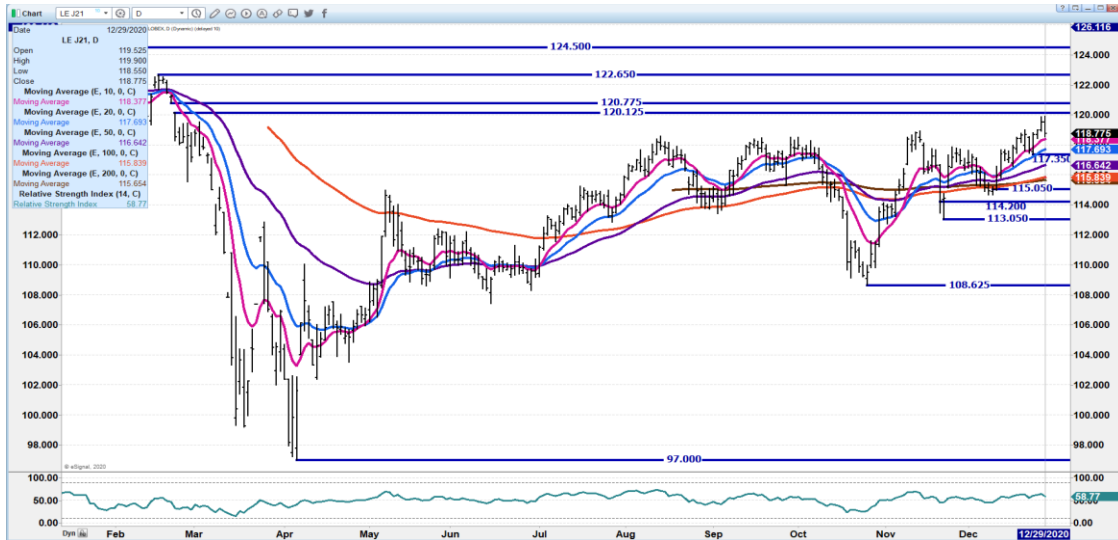
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FEBRUARY 2021 LIVE CATTLE – VOLUME AT 19061 RESISTANCE SEPTEMBER HIGH CLOSE AT 116.25. NEXT RESISTANCE AT 116.62 TO 118.57 TO GAP HIGH AT 119.47 SUPPORT IS 114.20 TO 113.07



APRIL 2021 LIVE CATTLE - RESISTANCE IS GAP AT 120.12 TO 120.77 SUPPORT AT 118.37 TO 117.67



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Feeder Cattle

THE CME FEEDER INDEX ON 12/28/2020 WAS 138.40 DOWN 11 FROM PREVIOUS DAY

JANUARY 2021 FEEDER CATTLE FUTURES SETTLED ON DECEMBER 29, 2020 AT \$139.62

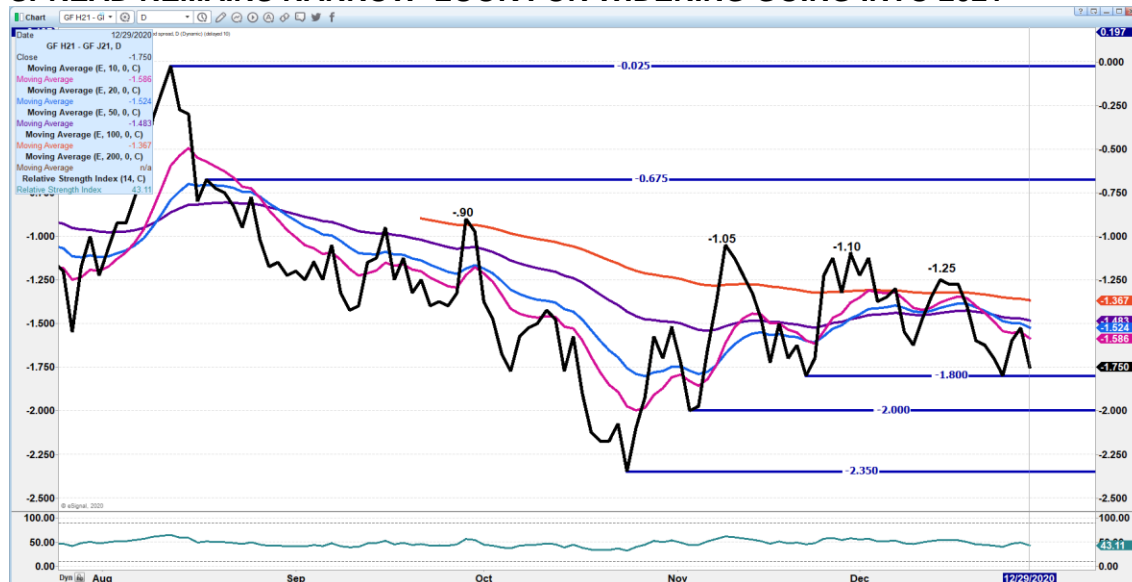
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WITH 9 PERCENT FEWER PLACEMENTS IT SEEMS AS THOUGH FEEDER CATTLE PRICES SHOULD BE HIGHER. HOWEVER, THE PLACEMENT GROUP WEIGHING 600 POUNDS OR LESS WAS THE LARGEST PLACEMENTS, 520,000 HEAD, FOLLOWED BY 460,000 HEAD WEIGHING 600 POUNDS TO 699 POUNDS. SO, THERE SHOULD BE PLENTY OF CATTLE TO KILL LATE FEBRUARY/ MARCH ESPECIALLY IF FEEDLOTS KEEP SELLING ON THE HEAVY SIDE, NOT OVERWEIGHT BUT HEAVY.

CURRENTLY, FEEDER FUTURES HAVE FAIRLY NARROW SPREADS. MOVING FORWARD, FUTURES SHOULD WIDEN MORE THAN THERE ARE NOW. IF THIS IS THE CASE, USE WIDE SPREADS TO HEDGE. BEAR SPREADS ARE A GIFT WHEN SPREADING WIDER.

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SPREAD REMAINS NARROW LOOK FOR WIDENING GOING INTO 2021





LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

DECEMBER 29, 2020	465,000
WEEK AGO	473,000
YEAR AGO	408,000
WEEK TO DATE (EST)	955,000
SAME PERIOD LAST WEEK (EST)	960,000
SAME PERIOD LAST YEAR (ACT)	893,000

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CME CASH HOG INDEX 12/23/2020 AT 60.60 DOWN 1.02 FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 12/28/2020 AT 70.84 DOWN 11 CENTS FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 12/25/2020 WAS 117.08 COMPARED TO 12/18/2020 WAS 117.35

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The lean hog index and pork cutout index have both been moving lower. Weights so far aren't a problem as contracted and packer hogs keep steadily moving hogs to kill. Pork is moving but retailers and consumers are price conscience and buy pork when it is cheap. The situation lowering hog prices has to be global hog inventories. Since August 2018 when China announced African Swine Fever sweeping through their hogs, world hog producers decided China's problem would last for years and increased production. At the same time China was expanding corporate mega hog production. You can come close to saying, African Swine Fever was what China needed. For a little over a year and a half pork prices were high in China, but the outcome ended up being in the big long term picture an oversupply of pork plus more cattle, sheep, farmed fish and poultry.

If the US doesn't increase exports, and it doesn't appear pork exports will increase in 2021, the current level of hog prices will be far off highs in 2021.

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.



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 29, 2020

LOADS OF PORK CUTS: 314.14

LOADS TRIM/PROCESSED PORK: 41.03

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
12/29/2020	355.17	72.36	69.36	71.95	54.40	143.39	55.73	106.14
Change		0.51	-4.78	-2.11	-1.61	0.25	-0.47	12.74
Five Day Average --		70.81	70.60	71.45	55.52	141.11	56.64	93.71

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
12/28/2020	582.52	71.85	74.14	74.06	56.01	143.14	56.20	93.40
Change		2.51	5.34	1.51	0.37	2.43	0.43	6.18
Five Day Average --		70.63	70.62	71.50	56.23	139.45	58.66	89.65

DECEMBER 31, 2019 USDA MARKET NEWS

NATIONAL DAILY PORK REPORT FOB PLANT -

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
12/31/2019	393.83	73.02	69.15	93.46	71.18	136.84	66.21	77.85
Five Day Average --		75.08	70.54	93.70	74.28	136.41	65.60	86.23

NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

Slaughter Data for December 28, 2020

Average live weight - 287.88

Average carcass - 216.19

DECEMBER 31, 2019 USDA MARKET NEWS

Average live weight - 286.83

Average carcass - 215.37



**DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM DECEMBER 29, 2020
 NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**

Carcass Base Price: \$44.00 - \$51.50
Weighted Average: \$50.06
Change from Prior Day: 0.24 higher
HOGS SOLD 10,050

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)

PRICE RANGE: \$50.11 - \$70.42
Weighted Average: \$59.51
Previous Day: \$59.63
HOGS SOLD: 146,790

**USDA DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM DECEMBER 30, 2019
 NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**

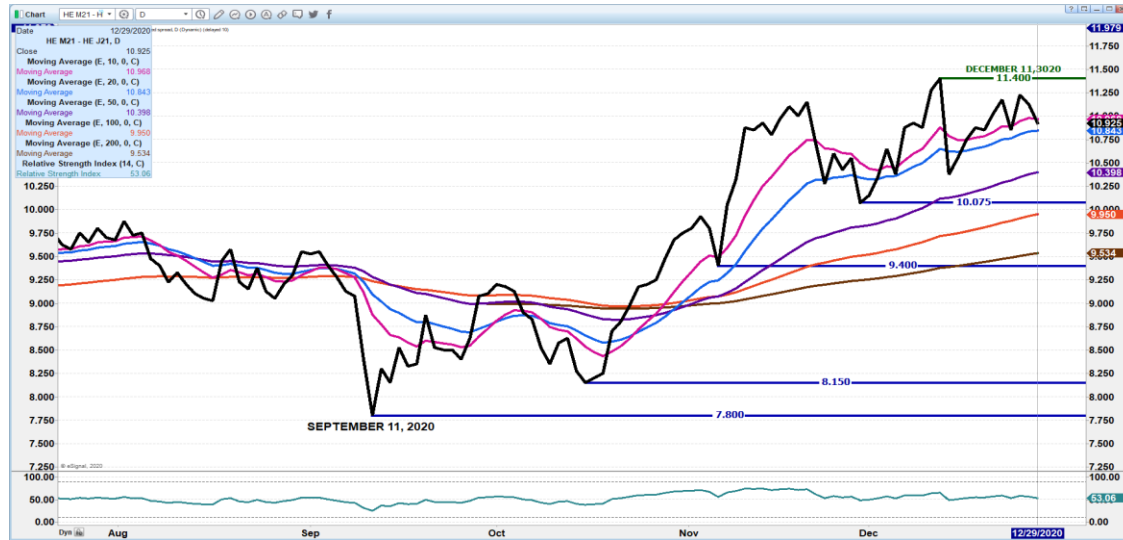
Carcass Base Price: \$45.00 - \$52.00
Weighted Average: \$50.45
Change from Prior Day: 0.80 higher
https://www.ams.usda.gov/mnreports/lm_hq203.txt

**FEBRUARY/APRIL 2021 LEAN HOG SPREAD – CLOSE BELOW MINUS 4.50 IS
 NEGATIVE**

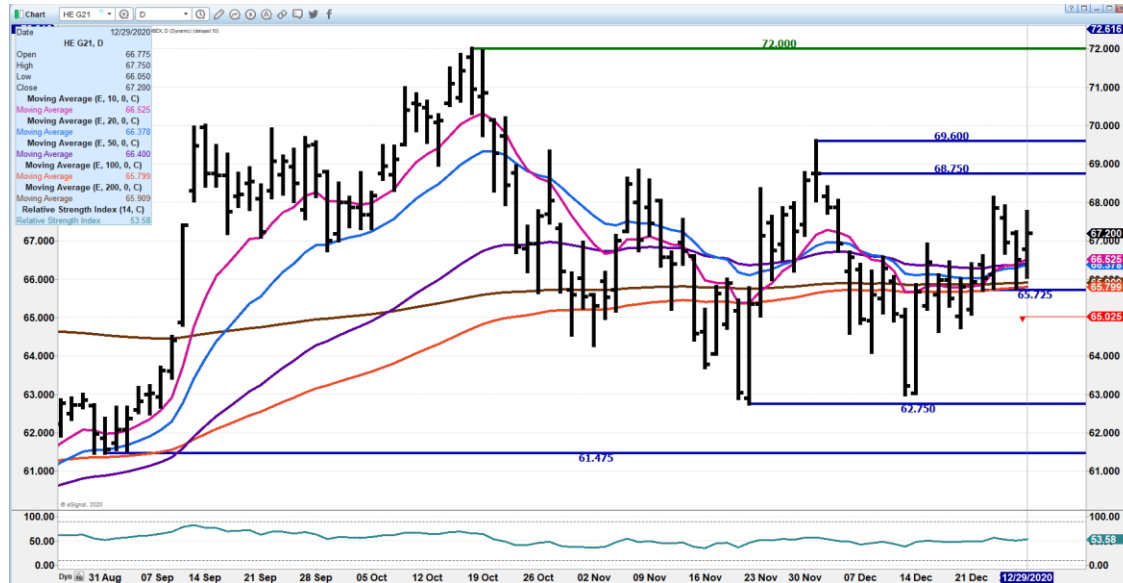




JUNE/APRIL LEAN HOG SPREAD – END OF YEAR PROFIT TAKING. SPECS LIKELY WILL MOVE SPREAD WIDER



FEB 2021 LEAN HOGS – DROPPED TO SUPPORT AND BOUNCED OFF. 68.75 REISTANCE WITH SCO AT 69.87 SUPPORT AT 65.77 TO 65.02 VOLUME 12888



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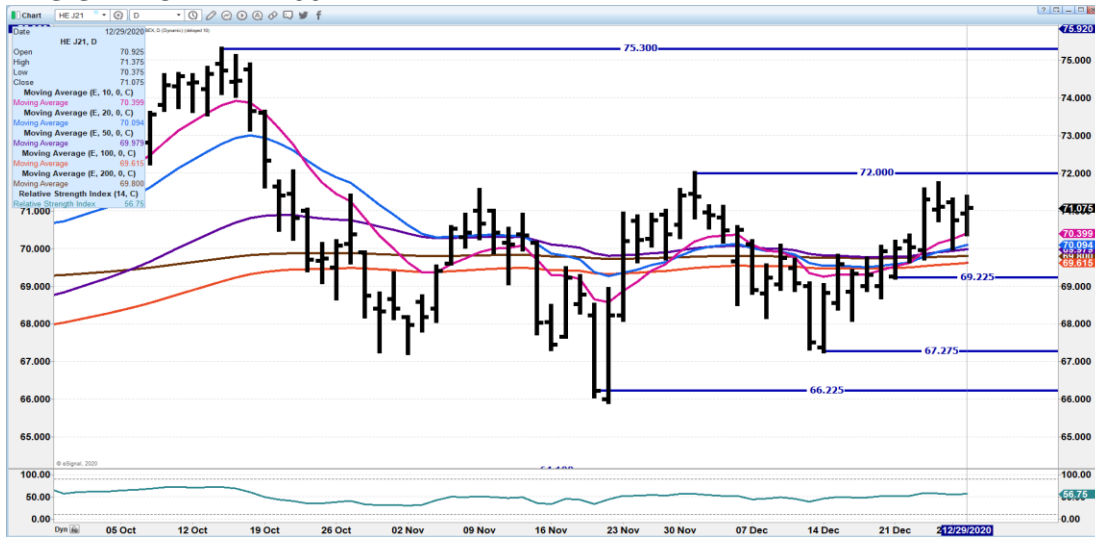
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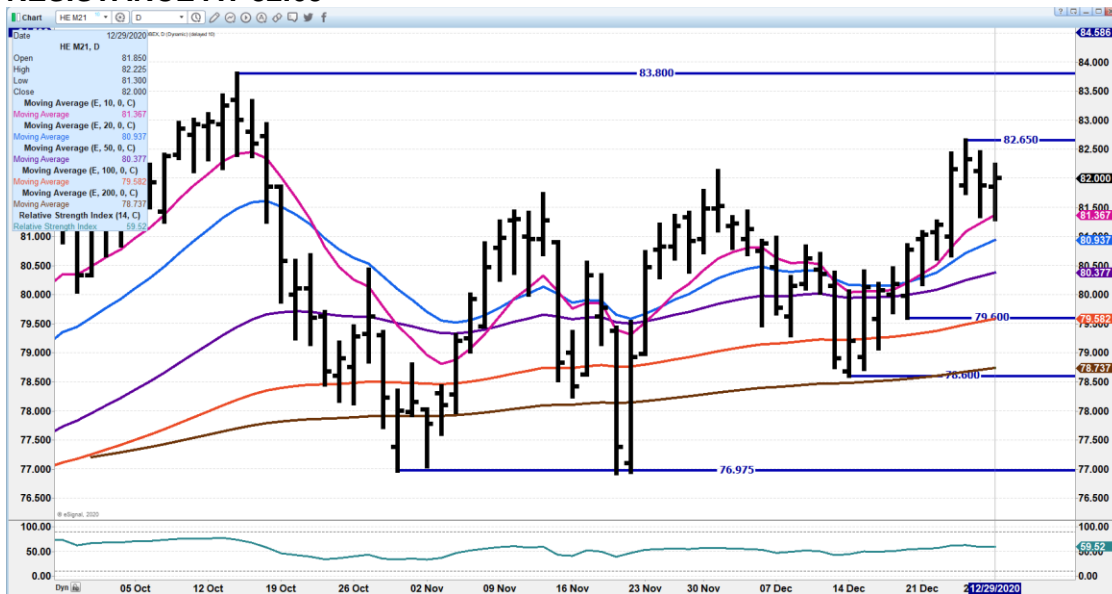
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APRIL 2021 LEAN HOGS – 10 DAY AVERAGE SUPPORT AT 70.37 TO 69.50 RESISTANCE AT 72.00



JUNE 2021 LEAN HOGS – FELL TO 10 DAY AVERAGE, NOW SUPPORT AT 81.37 RESISTANCE AT 82.65



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