

Daily Futures Market Commentary Livestock Afternoon Outlook

TUESDAY MORNING FEBRUARY 9, 2021 LIVESTOCK REPORT

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

FEBRUARY 8, 2021	114,000
WEEK AGO	115,000
YEAR AGO	120,000

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	CHOICE	SELECT
BOXED BEEF FINAL	236.20	220.61
CHANGE FROM PRIOR DAY	1.62	(0.18)
CHOICE/SELECT SPREAD:	15.59	
TOTAL LOAD COUNT	114	
5 DAY SIMPLE AVERAGE:	235.31	223.05

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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 FEBRUARY 8, 2021

Primal Rib	391.64	342.25
Primal Chuck	203.07	192.89
Primal Round	191.78	188.66
Primal Loin	319.99	290.27
Primal Brisket	154.77	155.74
Primal Short Plate	133.66	133.66
Primal Flank	101.94	102.70

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FINAL FEBRUARY 5, 2021

Primal Rib	388.25	337.42
Primal Chuck	202.08	196.81
Primal Round	190.86	189.54
Primal Loin	315.79	287.49
Primal Brisket	159.36	157.70
Primal Short Plate	132.36	132.36
Primal Flank	102.71	101.50

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LOAD COUNT AND CUTOFF VALUE SUMMARY

	CHOICE		SELECT				
Date	Choice	Select	Trim	Grinds	Total	600-900	600-900
02/05	52	12	27	10	100	234.58	220.79
02/04	84	20	13	14	132	234.25	220.44
02/03	89	25	20	20	153	235.28	223.39
02/02	63	11	11	8	93	236.76	225.04
02/01	62	13	6	14	95	235.68	225.59

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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	61.97 loads	2,478,990 pounds
Select Cuts	18.87 loads	754,745 pounds
Trimming	17.42 loads	696,710 pounds
Ground Beef	15.72 loads	628,703 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)

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Monday, February 8, 2021 is First Notice Day for February 2021 Live Cattle. Any long positions at the close of business on Monday, Feb 8, 2021 will be at risk of delivery.

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FEBRUARY 2021 USDA REPORTS

CATTLE ON FEED REPORT - FEBRUARY 19, 2021 2:00PM CENTRAL US TIME

COLD STORAGE REPORT – FEBRUARY 23, 2021 2:00PM CENTRAL US TIME

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DELIVERY NOTICE SERVED – FEBRUARY 2021 - LIVE CATTLE

SETTLEMENT: FEBRUARY 8, 2021 - \$116.57

OLDEST LONG: 07/10/20 SETTLEMENT AT \$111.72

9 DELIVERIES

FIRM #	FIRM NAME	DEL	REC
800	MAREX SPEC	4	
685	R.J.O'BRIEN ASSOC	5	5
905	ADM INVESTOR SERVICE		4

YARDS

CLOVIS	1
DODGE CITY	4
WEST POINT	4

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USDA POSTED CATTLE PRICES ON 02/08/2021

IA/MN – CASH – No Reportable Trade. DRESSED No Reportable Trade.

NE - CASH – No Reportable Trade. DRESSED No Reportable Trade.

KS – CASH No Reportable Trade. DRESSED -

TX/OK/NM - No Reportable Trade.

CO – *Confidential*

*****National Daily Direct Cattle 02/08/2021**

5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1490	\$113.62	33,813
Live Heifer:	1364	\$114.49	18,522
Dressed Steer:	973	\$179.22	22,038
Dressed Heifer:	874	\$178.98	6,788

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Packer profits pretty much say it all. Last week margins near \$400 per head. If packers can fill chains, they will do it. Cold weather will slow some movement of cattle and will keep weights from increasing which is just what feedlots need. There are still many heavy cattle but unless extremely overweight, packers are buying them with just slight docks. With many cuts going to fabricators to be processed into trimmings or ground beef, heavy cuts aren't as negative. It is easy to trim out a big cut as it is one lighter. The cold weather is expected to last well into next week.

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Wholesale meat from the packer or a meat broker must be in demand to fill previously contracted orders or if it isn't, storage is getting overloaded. Monday 114 total loads of boxed beef were sold and there is demand for trimmings and ground beef with top primal rib

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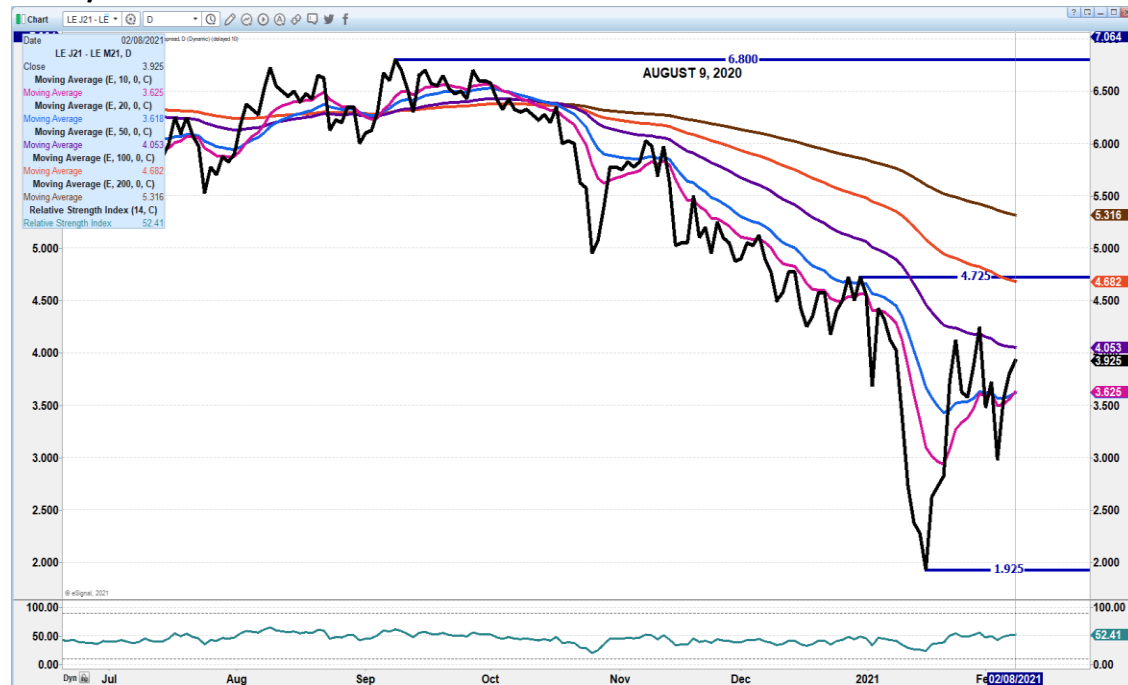
Exports have been strong for 2021. If they remain as strong through February, normally a month where sales begin to drag, it is possible to see prices remain up going into April. However, spreads now are anticipating better prices beyond February. April is \$7.37 over February and April is 3.92 over June. June is \$1.12 over August.

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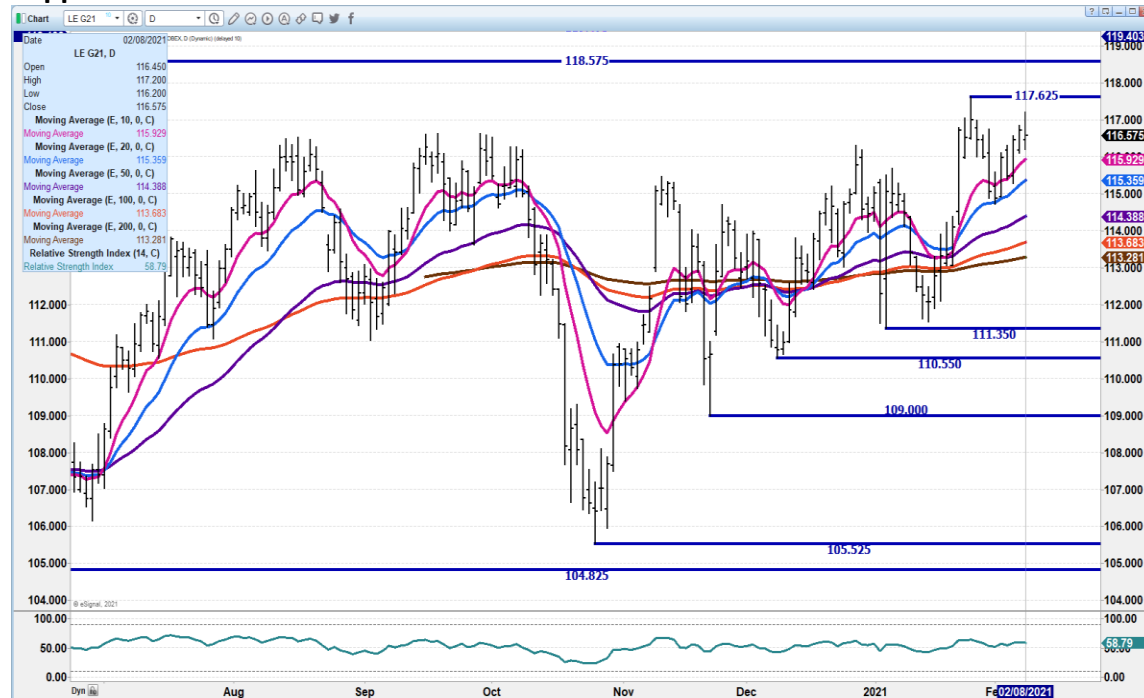
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The chart displays the price of LE G21 - LE J21, D, along with several technical indicators. The main price chart is a black line with a white background. The left y-axis ranges from -3.500 to -7.500. The right y-axis ranges from -0.541 to -7.500. The x-axis shows dates from July 2020 to February 2021. The chart includes a date range of 02/08/2021 and a price of -7.375. The chart also shows a moving average (E, 10, 0, C) at -6.788, a moving average (E, 20, 0, C) at -6.231, a moving average (E, 50, 0, C) at -5.171, a moving average (E, 100, 0, C) at -4.235, a moving average (E, 200, 0, C) at -3.298, and a Relative Strength Index (14, C) at 28.69. The chart also shows a Relative Strength Index (14, C) at 28.69. The chart includes a date range of 02/08/2021 and a price of -7.375. The chart also shows a moving average (E, 10, 0, C) at -6.788, a moving average (E, 20, 0, C) at -6.231, a moving average (E, 50, 0, C) at -5.171, a moving average (E, 100, 0, C) at -4.235, a moving average (E, 200, 0, C) at -3.298, and a Relative Strength Index (14, C) at 28.69. The chart also shows a Relative Strength Index (14, C) at 28.69.

APRIL/JUNE 2021 LIVE CATTLE SPREAD – APRIL GAINING ON JUNE



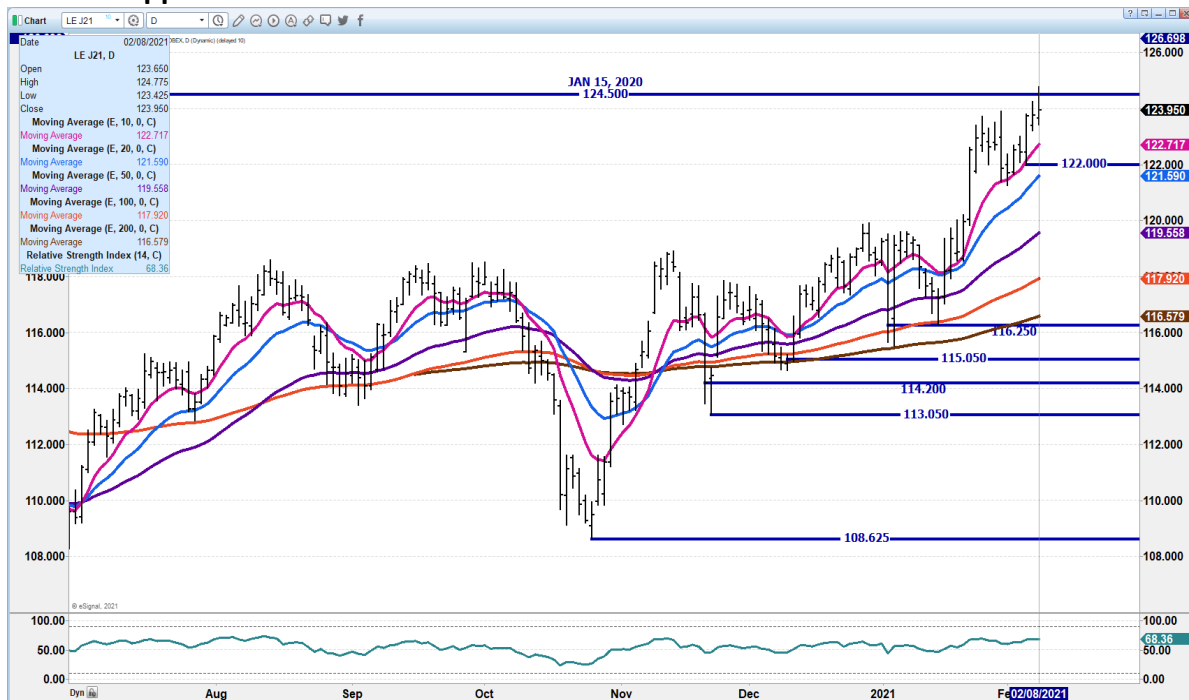
FEBRUARY 2021 LIVE CATTLE – Higher early but closed down Resistance at 116.67 to 118.57 Support at 115.87 to 115.27



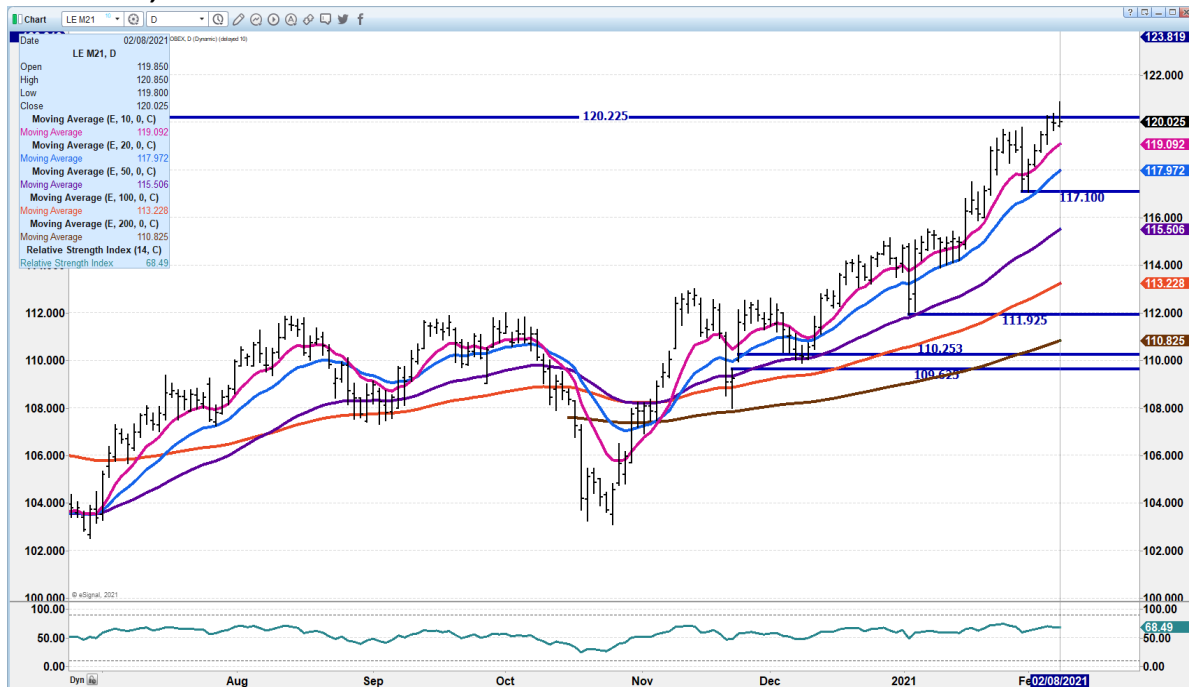
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APRIL 2021 LIVE CATTLE - Volume at 21,578 New contract high Monday Resistance is 124.87 Support at 122.70 to 121.50



JUNE 2021 LIVE CATTLE - New contract highs Monday RSI at 69 is not overbought June discount to April is spread friendly Resistance at 120.85 Support at 119.07 to 117.97 Volume 10,638



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Feeder Cattle

THE CME FEEDER INDEX ON 02/05/2020 WAS 135.47 DOWN 18 CENTS FROM PREVIOUS DAY

MARCH 2021 FEEDER CATTLE FUTURES SETTLED ON FEBRUARY 8, 2021 AT \$137.45

NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 02/06/2021

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	225,100	34,200	10,900	270,200
LAST WEEK:	194,100	60,000	38,300	292,400
YEAR AGO:	186,600	7,900	24,900	219,400

COMPARED TO LAST WEEK, STEERS AND HEIFERS SOLD UNEVEN; NORTH CENTRAL AND SOUTH CENTRAL AUCTIONS 2.00 LOWER TO 2.00 HIGHER WHILE THE SOUTHEAST AUCTIONS WERE 1.00 TO 4.00 HIGHER. DEMAND FOR GRAZING CALVES WAS GOOD AS BACKGROUNDERS ARE LOOKING TO GET THEIR ORDERS FILLED EARLY. THESE RANCHERS WANT TO GET THOSE FLYWEIGHT CALVES INTO THEIR PENS EARLY SO THE HEALTH REGIMEN CAN BE GONE THROUGH AND THOSE CALVES WILL BE READY WHEN TURNOUT TIME GETS HERE THIS SPRING.

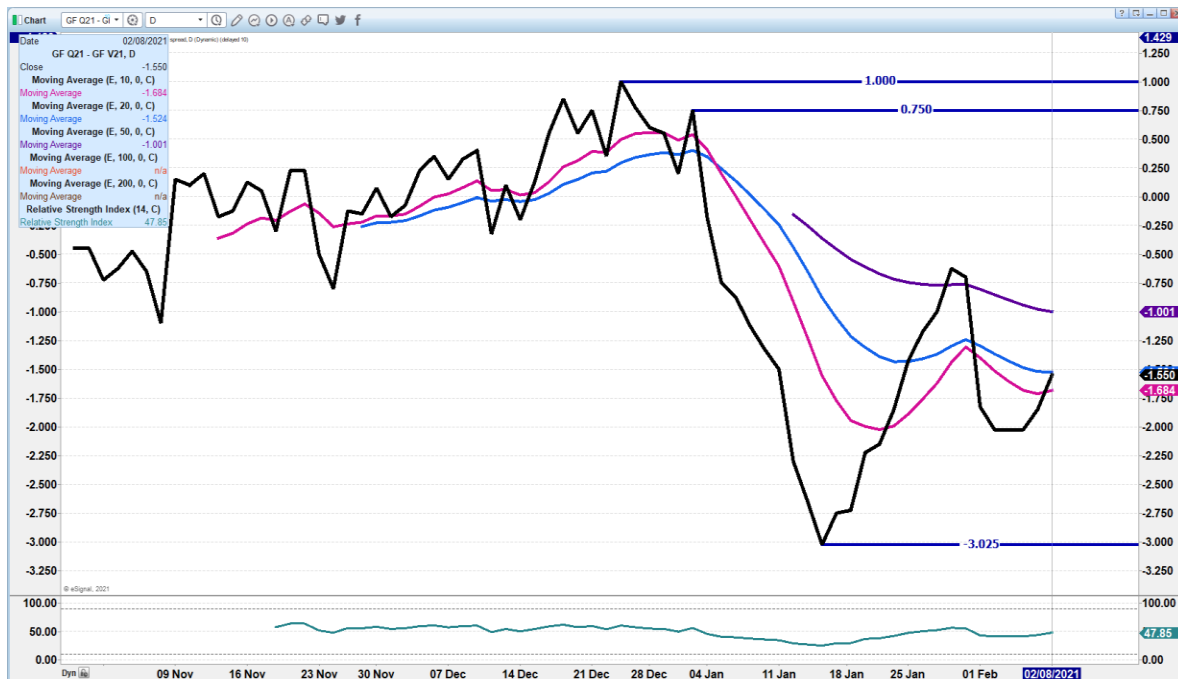
MARCH/APRIL 2021 FEEDER CATTLE SPREAD - SPREAD IS WIDE.. SHOULD NARROW ESPECIALLY IF SPECS START TO BUY APRIL AND SELL MONTHS BEHIND



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AUGUST/SEPTEMBER FEEDER CATTLE SPREAD - SPREAD IS NARROW WATCH TO SEE IF AUGUST CONTINUES TO GAIN.



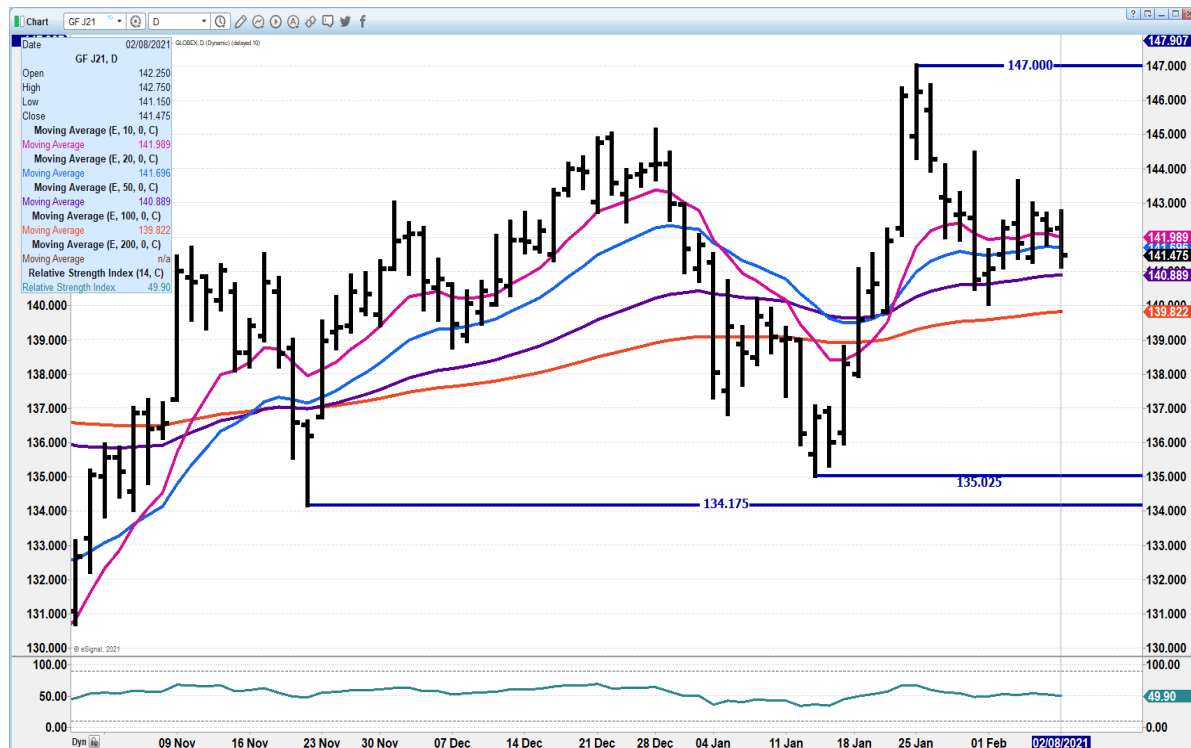
MARCH 2021 FEEDER CATTLE – SUPPORT AT 136.37 RESISTANCE AT 138.67



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APR 2021 FEEDER CATTLE - NEEDS TO HOLD SUPPORT AT 140.87 TO 139.80 RESISTANCE AT 142.65



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

FEBRUARY 8, 2021	498,000
WEEK AGO	486,000
YEAR AGO	491,000

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CME CASH HOG INDEX 02/04/2020 AT 69.27 UP 18 CENTS FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 02/05/2021 AT 82.65 DOWN 15 CENTS FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 02/05/2021 WAS 164.55 COMPARED TO 01/29/2021 WAS 163.35

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Hams and bellies are once again the main reason the pork carcass is higher. The only time hams and bellies have been under pressure over the past several months was when Mexico was a light buyer, the last part of 2020 when they took time off in December. Peso is strong to the US Dollar and exports should remain good. They won't be as strong as 2020.

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February Lean Hogs settled \$2.90 over the CME Lean Hog Index.

Spread to watch.. August over October. It settled Monday with August \$12.35 over October. It is wide.

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Good exports last week. China buying but nowhere near what they did a year ago. Mexico the consistent buyer and with cheap US Dollar, and cheap pork Mexico likely will be a good buyer for some time. But with new trade agreements with Brazil, likely Mexico will be less of a buyer compared to 2020. However, year after year Mexico is best buyer. Year ago, China bought more but due to refilling storage and their immediate need for pork because of ASF. Now, time will tell if they buy any big amounts with exponentially growing hog herd.

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Spreads were reversing last week. Spreads such as the April to June have been narrowing.

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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

FEBRUARY 08, 2021

LOADS OF PORK CUTS: 258.82

LOADS TRIM/PROCESSED PORK: 31.87

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
02/08/2021	290.70	84.87	79.46	70.86	54.05	148.97	78.38	134.86
Change		0.69	-1.16	-1.24	1.15	0.38	3.55	4.16
Five Day Average --		83.24	79.94	72.23	53.91	150.00	73.31	128.10

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
02/05/2021	286.05	84.18	80.62	72.10	52.90	148.59	74.83	130.70
Change		-1.65	0.37	2.58	-0.97	-0.26	-5.77	-2.92
Five Day Average --		82.80	79.73	73.07	54.37	150.39	71.79	126.56

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NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

Slaughter Data for February 5, 2021

Average live weight 287.38

Average carcass - 216.27

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A User's Guide to USDA's LMR Hog Price Reports

<https://www.ams.usda.gov/sites/default/files/media/LMRSwineReportingHandout.pdf>

DAILY DIRECT AFTERNOON HOG REPORT FEBRUARY 5, 2021

National Negotiated Carcass Price

Lowest price: 51.00

Highest price: 66.00

Weighted Average Price: 61.33

Head Count: 6,588

National basis, compared to the previous day's weighted average, .17 higher (LM_HG203)

Other Market Formula (Carcass)

Lowest base price: 50.97

Highest base price: 86.78

Weighted Average Price: 71.93

Head Count: 88,029

Swine/Pork Market Formula (Carcass)

Lowest base price: 56.63

Highest base price: 81.40

Weighted Average Price: 69.61

Head Count: 173,175

Other Purchase Arrangement (Carcass)

Lowest base price: 61.86

Highest base price: 97.16

Weighted Average Price: 71.71

Head Count: 58,063

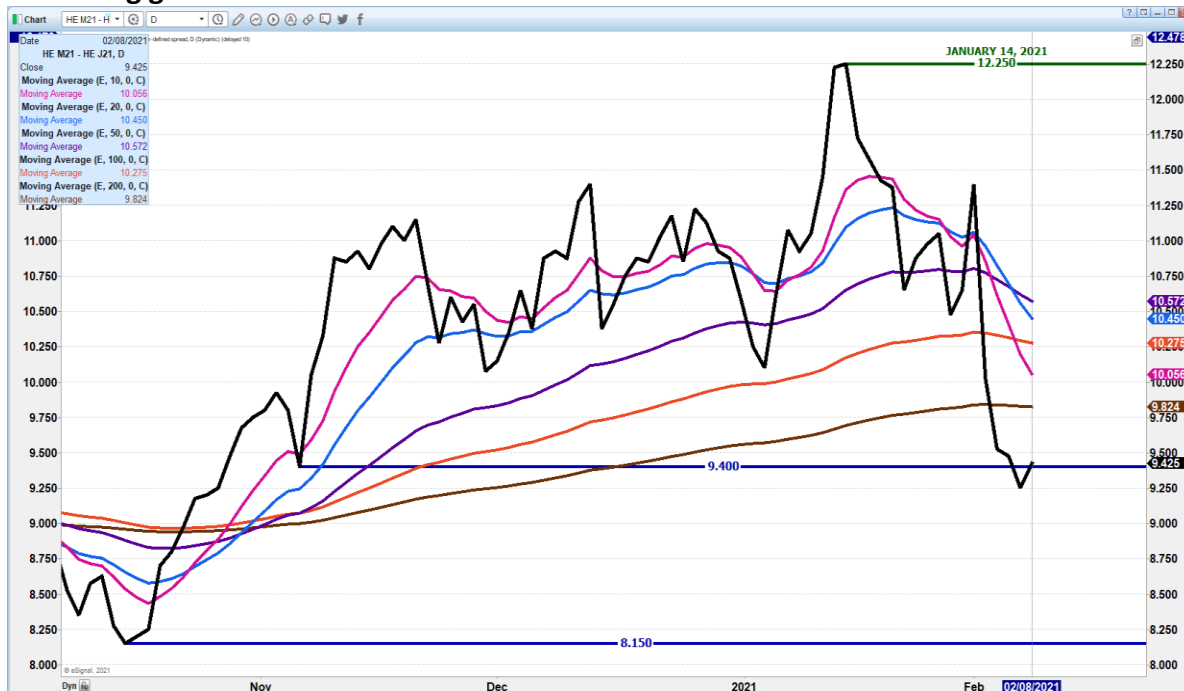
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FEBRUARY/APRIL 2021 LEAN HOG SPREAD - Spread had a bump Monday. Could continue to widen. April long time away especially if spreaders are buying April and Selling June



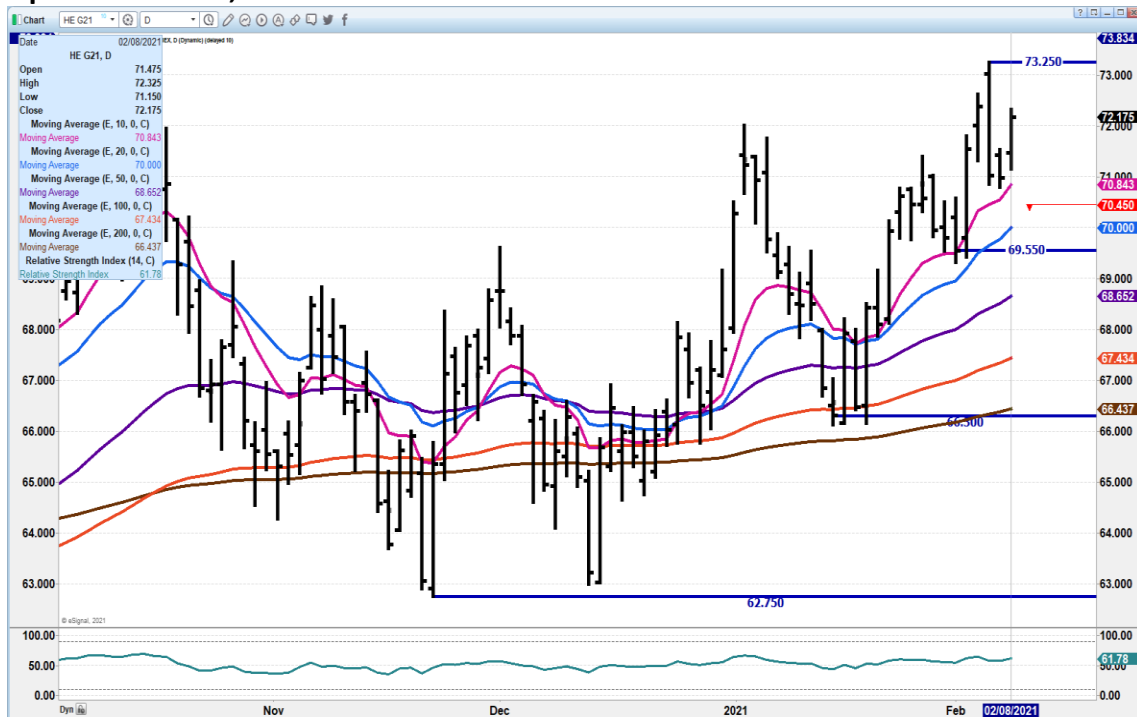
JUNE/APRIL LEAN HOG SPREAD – Spread has been narrowing Likely will narrow with increasing global numbers



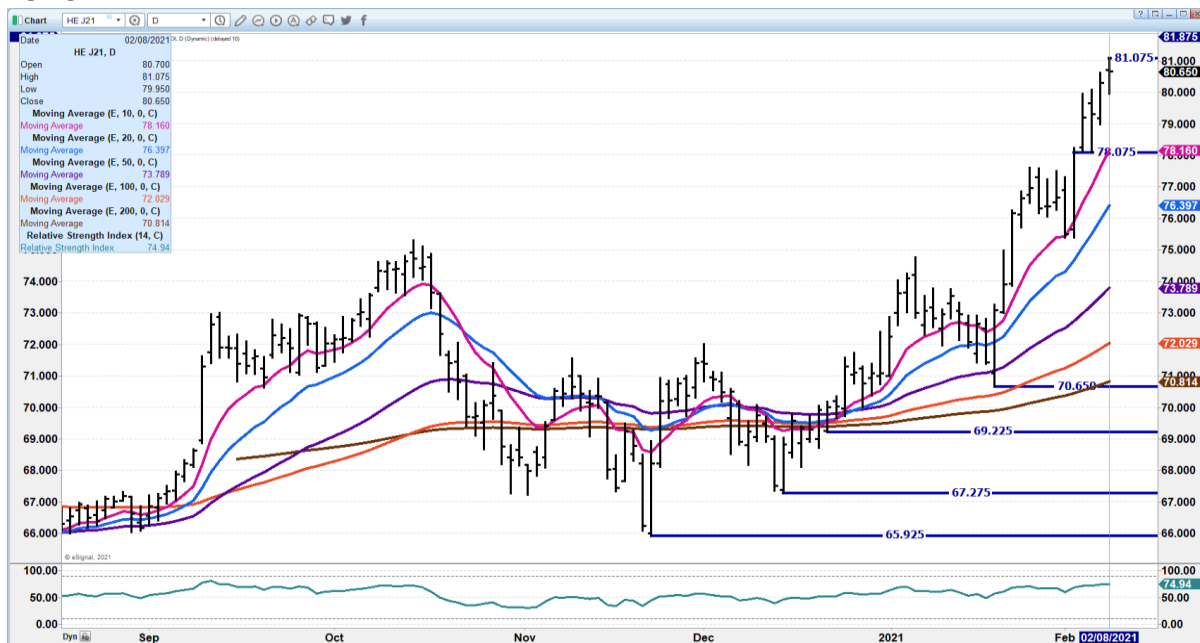
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**FEBRUARY 2021 LEAN HOGS – Resistance contract high 73.25 Support at 70.85 to 70.00
Open interest 10,238**



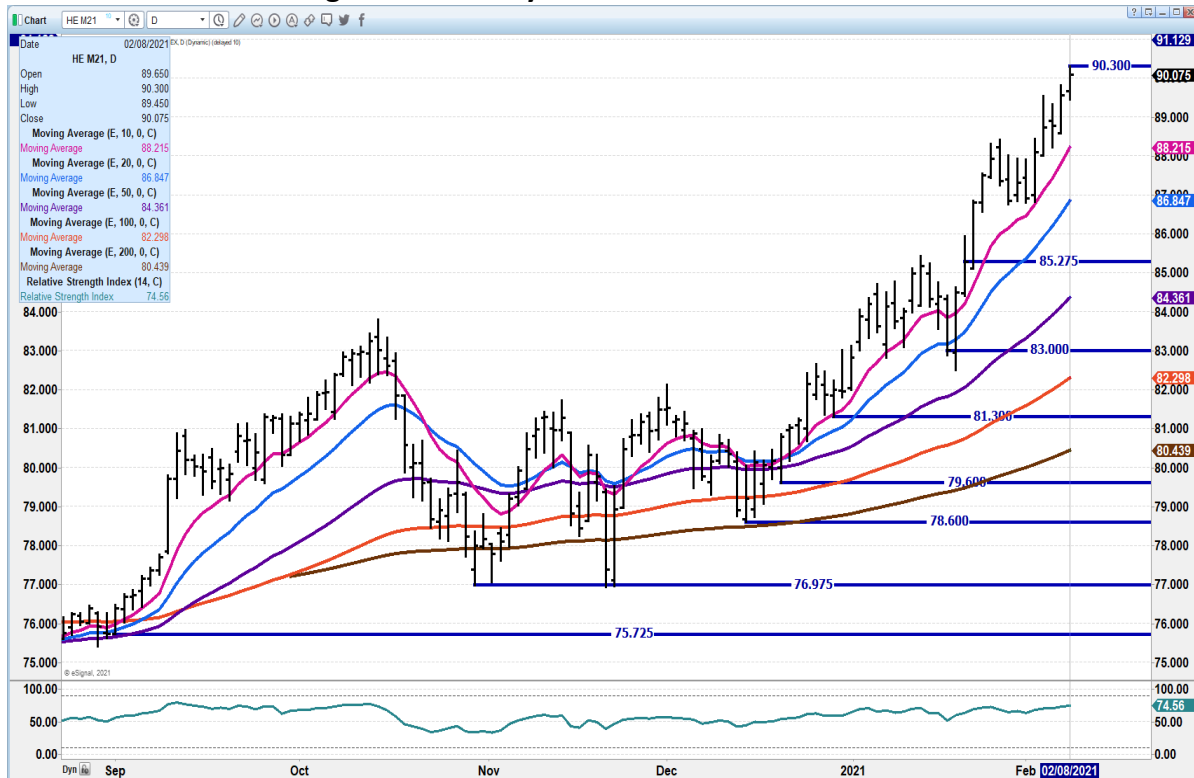
APR 2021 LEAN HOGS – Volume at 16,409 New contract high at 81.07 Support down at 78.15



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JUNE 2021 LEAN HOGS – New contract highs Could see a pull back to support at 88.37 Resistance is contract high Volume Only 7267



CHARTS FROM ESIGNAL INTERACTIVE, INC.

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