



Morning June 24, 2020 Livestock Report

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

Estimates for June 25th Hogs and Pigs report at bottom of report

CATTLE

USDA FEDERAL SLAUGHTER

| | |
|-----------------------------|---------|
| JUNE 23, 2020 | 120,000 |
| WEEK AGO | 119,000 |
| YEAR AGO | 123,000 |
| WEEK TO DATE (EST) | 239,000 |
| SAME PERIOD LAST WEEK (EST) | 238,000 |
| SAME PERIOD LAST YEAR (ACT) | 244,000 |

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| | | |
|-----------------------|---------------|---------------|
| | CHOICE | SELECT |
| BOXED BEEF FINAL | 211.81 | 203.57 |
| CHANGE FROM PRIOR DAY | (2.25) | (0.73) |
| CHOICE/SELECT SPREAD: | | 8.24 |
| TOTAL LOAD COUNT | | 205 |
| 5 DAY SIMPLE AVERAGE: | 217.43 | 206.71 |

| | | |
|----------------------------------|---------------|---------------|
| FINAL JUNE 23, 2020 BOXED | CHOICE | SELECT |
| Primal Rib | 350.83 | 326.48 |
| Primal Chuck | 171.67 | 168.85 |
| Primal Round | 167.18 | 167.38 |
| Primal Loin | 293.43 | 273.57 |
| Primal Brisket | 156.34 | 148.95 |
| Primal Short Plate | 131.94 | 131.94 |
| Primal Flank | 124.13 | 121.64 |

| | | |
|----------------------------------|---------------|---------------|
| FINAL JUNE 22, 2020 BOXED | CHOICE | SELECT |
| Primal Rib | 356.24 | 330.78 |
| Primal Chuck | 172.27 | 166.71 |
| Primal Round | 165.97 | 165.87 |
| Primal Loin | 300.87 | 277.98 |
| Primal Brisket | 155.82 | 149.32 |
| Primal Short Plate | 133.53 | 133.53 |
| Primal Flank | 125.77 | 125.77 |



LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS

| Date | Choice | Select | Trim | Grinds | Total | CHOICE | SELECT |
|-------|--------|--------|------|--------|-------|---------|---------|
| | | | | | | 600-900 | 600-900 |
| 06/22 | 81 | 33 | 17 | 23 | 154 | 214.06 | 204.30 |
| 06/19 | 96 | 24 | 11 | 35 | 167 | 213.72 | 203.91 |
| 06/18 | 146 | 37 | 12 | 57 | 252 | 213.56 | 204.08 |
| 06/17 | 124 | 35 | 9 | 32 | 200 | 217.93 | 208.08 |
| 06/16 | 98 | 31 | 8 | 48 | 187 | 227.89 | 213.17 |
| 06/15 | 99 | 29 | 14 | 25 | 166 | 228.61 | 214.35 |

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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 | 95.57 loads | 3,822,933 pounds |
| Select Cuts | 40.20 loads | 1,607,841 pounds |
| Trimmings | 17.69 loads | 707,580 pounds |
| Ground Beef | 51.99 loads | 2,079,652 pounds |

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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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JUNE LIVESTOCK REPORTS

JUNE 25, 2020 HOGS AND PIGS REPORT - 2:00PM US CENTRAL TIME

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DELIVERY NOTICE SERVED – JUNE 2020 - LIVE CATTLE

SETTLEMENT: JUNE 23, 2020 - \$ 93.52

OLDEST LONG: 02/24/20 SETTLEMENT \$107.37

6 – DELIVERIES

| FIRM # | FIRM NAME | DEL | REC |
|--------|---------------------|-----|-----|
| 800 | MAREX SPEC | 6 | |
| 350 | GOLDMAN SACHS & CO. | | 6 |

YARD: CLOVIS

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Rally on Tuesday's Live Cattle market took place with futures trading under cash markets. Monday August Live Cattle the most active month fell to \$94.35 on light volume and Tuesday specs took in shorts on the open and pushed August higher at on point limit up. But without remaining limit up, specs also took day profits.

There are plenty of cattle and cattle are overweight.

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As the boxed beef cutout drops, when top two cuts, primal rib sections and loin sections, continuing dropping in price, it is negative. When 34 percent of load movement are trimmings and ground beef, its negative. With the 4th of July less than two weeks away demand for high priced cuts after the 4th and into August usually drops. The economy isn't supporting steaks and prime rib roasts. Select cuts are going to further processing.

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China checking meats, grains and other food products for COVID 19 means they are concerned about the virus spread and also they have stocks and supplies. The virus was in the US in March and April was bad enough to shut down plants, but pork exports to China were booming at the time.

Look out for more beef, pork and poultry facilities to be banned.

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China says Brazil beef exporter, British pork plant suspend shipments over virus

China has asked food exporters for signed declarations that food is free of virus contamination.

<https://www.reuters.com/article/health-coronavirus-china-meat/update-1-china-says-brazil-beef-exporter-british-pork-plant-suspend-shipments-over-virus-idUSL4N2E00ZY>

processing and demand is strong on trimmings and ground beef.

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USDA POSTED CATTLE PRICES ON 6/23/2020 TUESDAY

IA/MN –CASH 97.00 - 98.00 DRESSED 155.00

NE - CASH – 97.00 DRESSED 152.00 - 155.00

KS – CASH - NO SALES DRESSED 155.00

TX/OK/NM – CASH NO SALES TUESDAY

CO - **Information not available due to confidentiality**



National Daily Direct Cattle June 22, 2020
(5 day accumulated weighted avg)

| | Weight | Price | Head |
|-----------------|--------|----------|--------|
| Live Steer: | 1438 | \$100.85 | 26,469 |
| Live Heifer: | 1305 | \$100.76 | 14,740 |
| Dressed Steer: | 922 | \$159.78 | 33,068 |
| Dressed Heifer: | 841 | \$160.13 | 10,533 |

FED CATTLE EXCHANGE HAS 1221 CATTLE LISTED FOR 10:00AM INTERNET SALE.

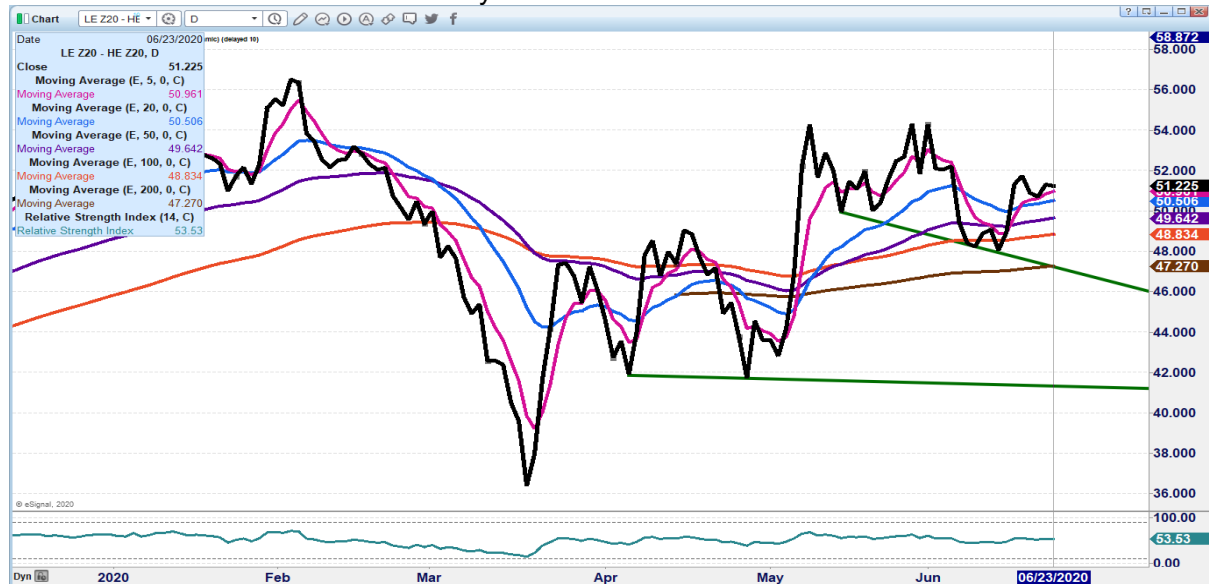
THE LATEST: GERMANY WORKS TO TAME MEATPACKING OUTBREAK
By The Associated Press JUNE 22,2020

<https://apnews.com/816976a6bf845ae942ea9d5f1c3d9393>

As of June 16th Dressed weights were 877.4 compared to previous week at 873.9. Weights are 53 pounds over a year ago. Grading percent was 82.9% compared to previous week at 83.0%.

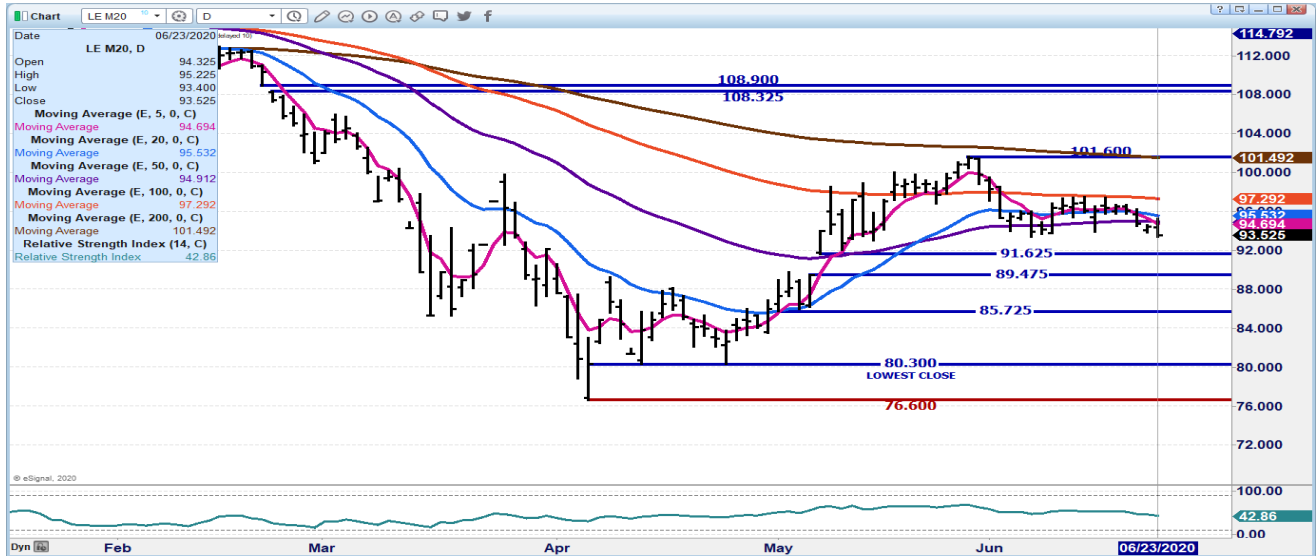
CHARTS ARE UPDATED ON MORNING REPORTS –

DECEMBER 2020 Live Cattle/DECEMBER Lean Hogs – This is a seasonal spread from May 29 – June 29. Contra seasonal this year





JUNE 2020 LIVE CATTLE –Tuesday morning open interest 3874 Wednesday morning open interest at 2591 Below low cash for the week so far. Support 91.62 to 89.47 Resistance 95.65 to 97.30

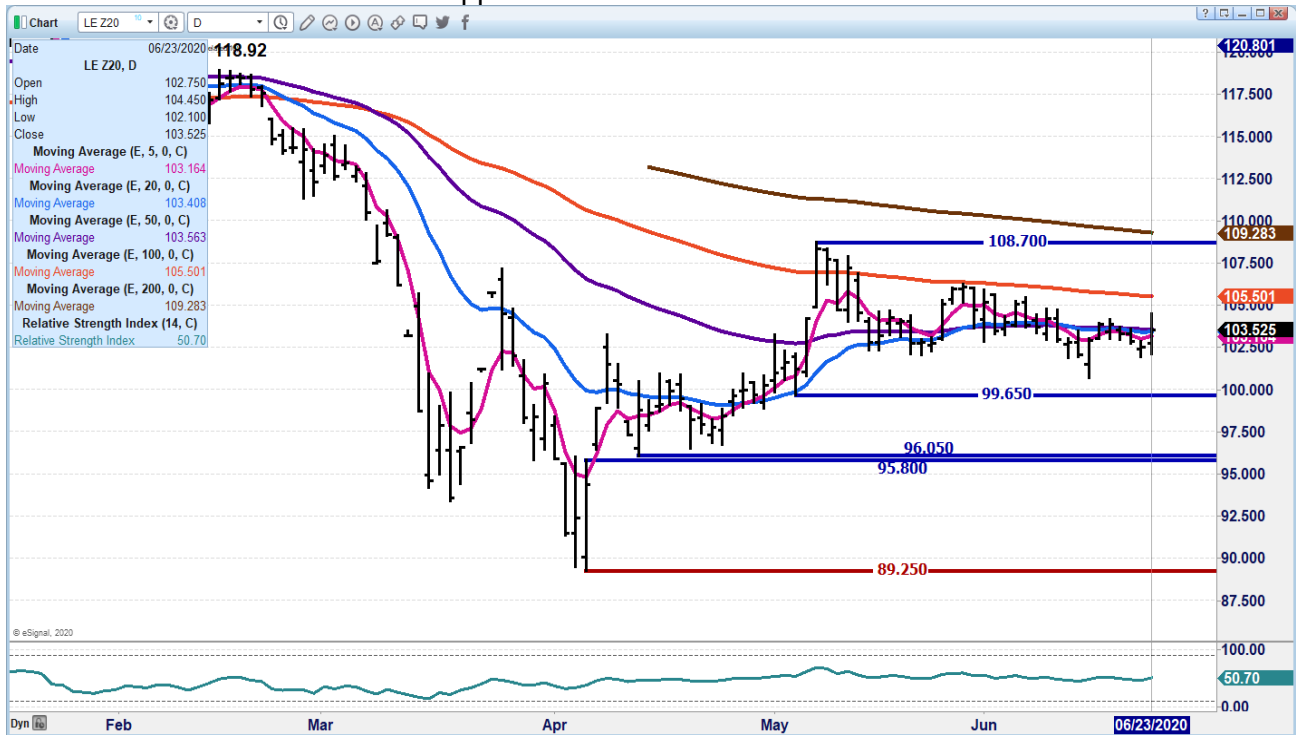


AUGUST 2020 LIVE CATTLE – Volume was 14,650 contracts Monday. At 10:15AM Tuesday trade volume was up to the total of Monday's volume. Volume ended at 27,728 Closed above 10, 20, and 50 day averages Resistance 98.62 to 101.70 Support 95.12 to 92.45





DECEMBER 2020 LIVE CATTLE - Closed on convergence of 10, 20 and 50 day averages.
Resistance is 105.50 to 109.30 Support at 99.65



Feeder Cattle

THE CME FEEDER INDEX ON 06/22/2020 IS 128.71 DOWN .41 FROM PREVIOUS DAY
(UPDATED ON MORNING REPORT)
AUGUST 2020 FEEDER CATTLE SETTLED AT \$133.20 ON JUNE 23, 2020.

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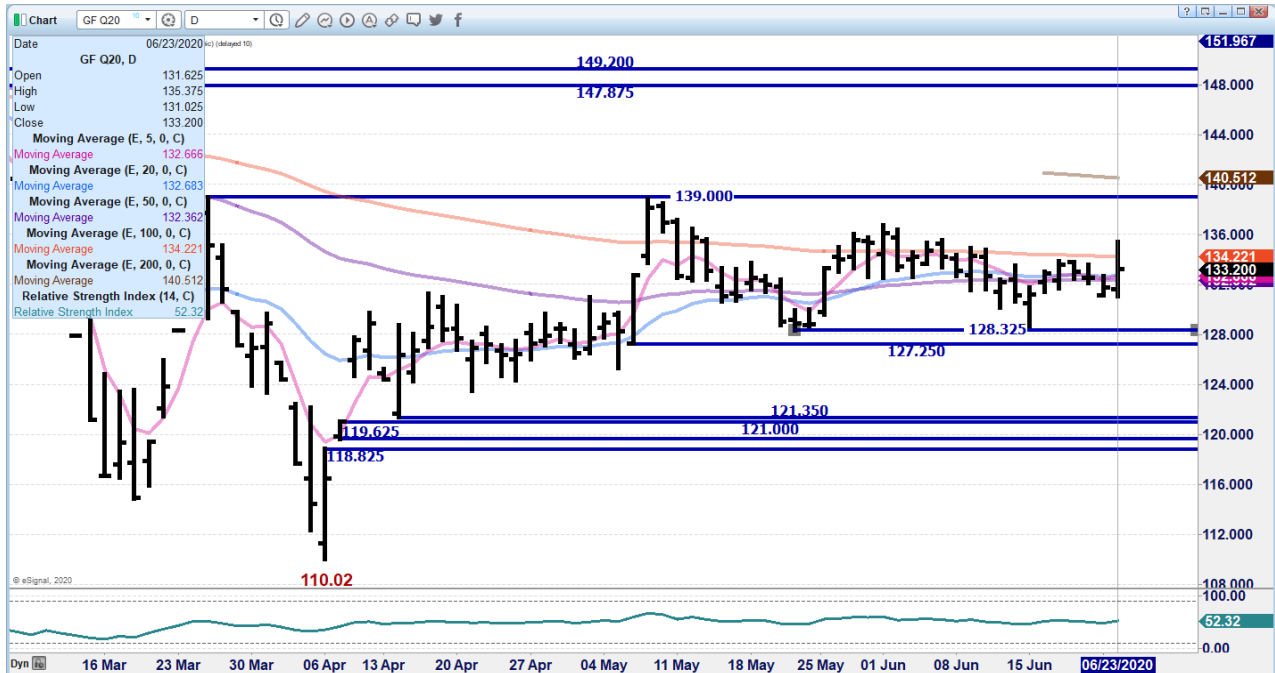
FEEDERS FOLLOWING LIVE CATTLE FUTURES. THERE IS BUYING TAKING PLACE AT AUCTIONS WITH CHEAP GRAIN AND THE NEED FOR CONTRACT FEEDLOTS TO BUY FOR PREVIOUSLY CONTRACTED CATTLE INTO 3RD- 4TH QUARTERS OF 2020.

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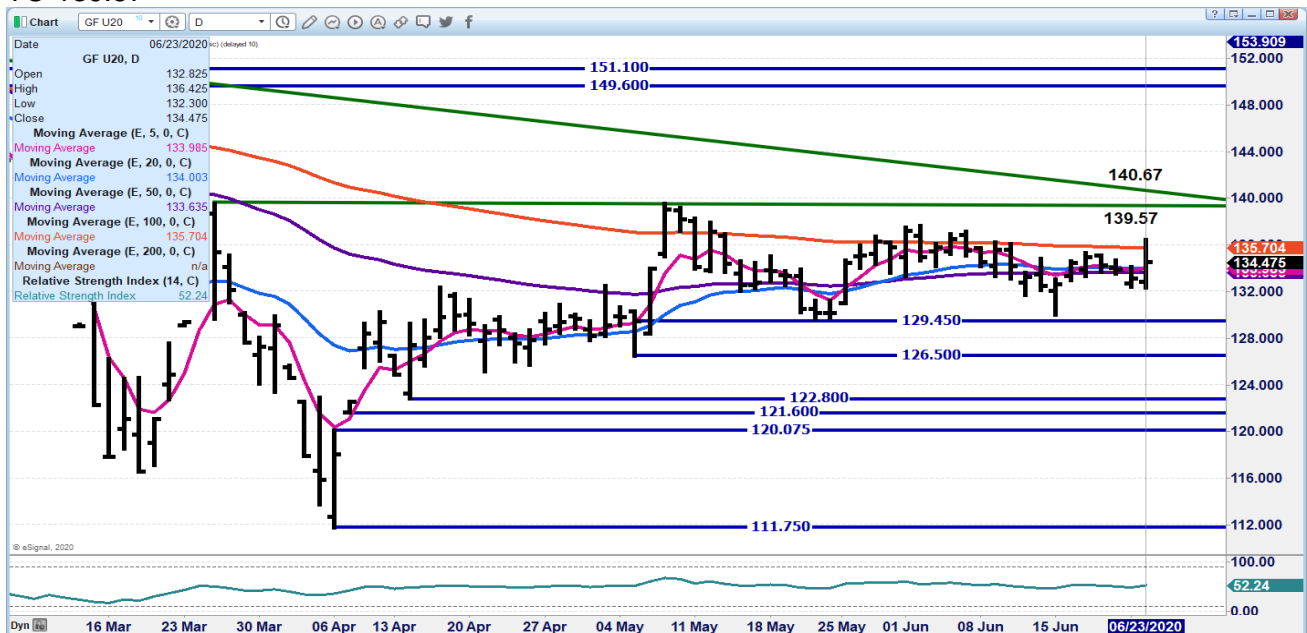
AUGUST 2020 FEEDER CATTLE – MOVED ABOVE 100 DAY BUT SETTLED BELOW.
RESISTANCE IS 134.22 TO 139.00 SUPPORT AT 131.00 TO 128.32



ADM Investor Services, Inc.



SEPTEMBER 2020 FEEDER CATTLE - SUPPORT 132.30 TO 129.45 REISTANCE 135.72 TO 139.57



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

| | |
|-----------------------------|---------|
| JUNE 23, 2020 | 468,000 |
| WEEK AGO | 458,000 |
| YEAR AGO | 473,000 |
| WEEK TO DATE (EST) | 917,000 |
| SAME PERIOD LAST WEEK (EST) | 915,000 |
| SAME PERIOD LAST YEAR (ACT) | 922,000 |

Revised Monday Hog Slaughter..449,000 Previous estimate 458,000

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CME CASH HOG INDEX 06/19/2020 AT 45.06 DOWN .55 FROM PREVIOUS DAY.
CME CASH PORK CUTOUT INDEX 06/22/2020 AT 64.83 DOWN .11 FROM PREVIOUS DAY.
(DOWN \$51.77 IN 26 DAYS)
CME CASH FRESH BACON INDEX ON 06/19/2020 WAS 128.71 COMPARED TO 06/12/2020
WAS 130.68

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Tuesday pork cutout was lower on big movement. Both loins and hams were down with butts and ribs up likely last minute buying for July 4th home smokers. Picnics were down and bellies fractionally higher. When 50% of the carcass, hams and loins, are losing, it is negative.

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World poultry prices are cheap, especially in China. Although there were many 1000s of chicks, chickens and fertile eggs destroyed at the end of March into April in the US, the biological lag to rebuild the flocks is just 6 to 8 weeks. Even if they heavily liquidated throughout April in the US, by now new fryers are going to the stores. As previous reported, China now has surplus poultry and eggs. The pork cutout has shown the consumer isn't buying pork loins, chops or hams. The June 22nd cold storage report showed bone in hams supplies weren't down. With slaughter picking up around the globe, unless exports substantially increase, hogs and pork will likely fall more.

Heavy hogs over 320 are being priced as sows with sow slaughter facilities taking the heavy hogs. Sow prices for 300 to 399 are \$ 6.00 - \$29.25 and 400-449 pound sows are \$6.00 - \$29.25

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China making all food coming into country declare it is COVID 19 clear. If not they will stop companies from sending it. Reports from China show they have excess poultry and eggs and they also have imported record poultry from the US beginning late 2019 and for first 4 months of 2020.

For the first 4 months of 2020 China imported record amounts of pork. Don't be surprised to see China ban pork from US plants. China has imported record supplies of pork not only from the US but also EU and Brazil. At the same time they have been rapidly rebuilding their own hog herd.

Last week China stop shipments of salmon from Europe with COVID 19 said to be on shipments.

Is it a coincidence as China has large inventories of poultry and rebounding hog industry that shipments are being cancelled?

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JUNE 23, 2020 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 FINAL

LOADS OF PORK CUTS: 531.90
LOADS TRIM/PROCESSED PORK : 51.77

| Date | Loads | Carcass | Loin | Butt | Pic | Rib | Ham | Belly |
|------------|--------|---------|-------|-------|-------|--------|-------|-------|
| 06/23/2020 | 583.67 | 63.18 | 62.25 | 75.14 | 43.89 | 142.12 | 40.87 | 95.02 |
| Change : | | -1.66 | -2.07 | 2.66 | -0.84 | 2.82 | -5.99 | 0.07 |

Five Day Average -- 64.63 64.78 70.40 43.55 137.02 46.47 96.24

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NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

Slaughter Data for JUNE 22, 2020

Average carcass weight - 283.16
Average live weight - 213.27

https://www.ams.usda.gov/mnreports/ams_2511.pdf

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DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM JUNE 22, 2020

NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES

Carcass Base Price: \$24.00 - \$30.00



Weighted Average: \$28.68
Change from Prior Day: 0.29 higher
HOGS SOLD: 9,930

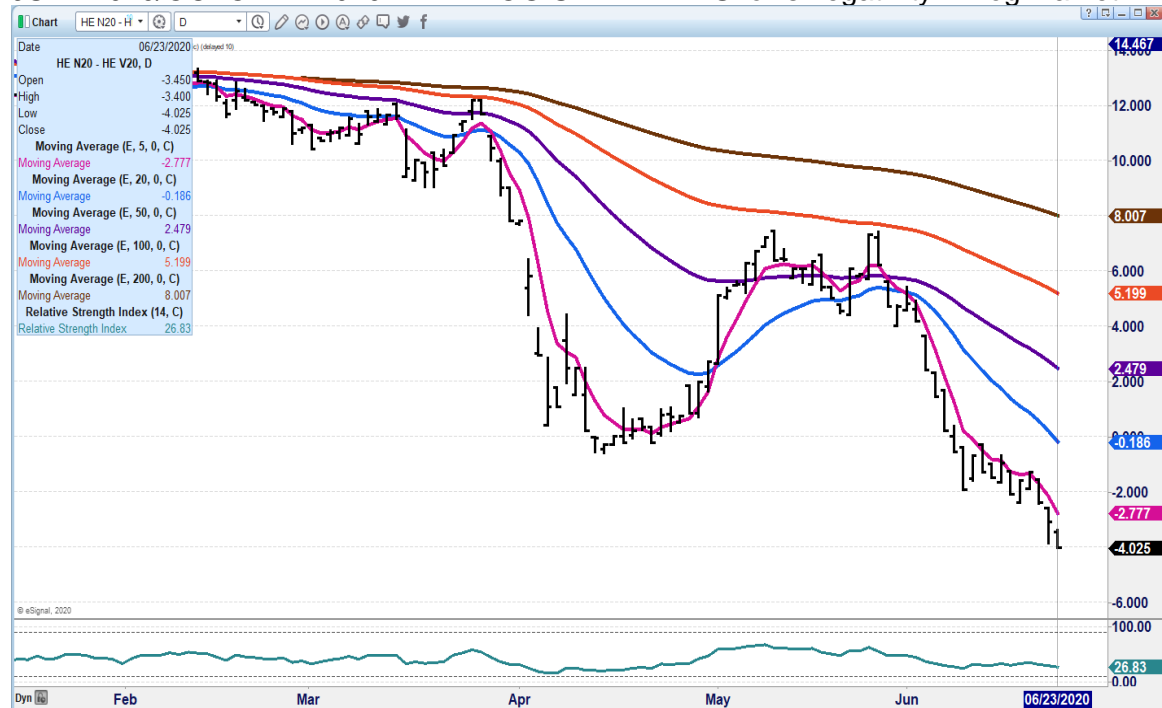
SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)
PRICE RANGE: \$26.58 - \$60.94
Weighted Average \$43.82 PREVIOUS DAY \$45.06
HOGS SOLD: 132,569

NATIONAL NEGOTIATED LIVE HOG PURCHASE PRICE
PRICE RANGE: *Price not reported due to confidentiality
Weighted Average: n/a
Change from Prior Day: n/a
Hogs sold: 1,303

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

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JULY 2020/OCTOBER 2020 LEAN HOG SPREAD – Shows negativity in hog market





JULY 2020 LEAN HOGS – Couldn't fill small gap. Resistance at 48.32. Support 41.75



AUGUST 2020 LEAN HOGS – Filled gap at 52.70 to 52.45 and settled in gap Resistance at 53.47 to 54.70 Support at 50.42



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DEC 2020 LEAN HOGS – Support 51.05 to contract lows Resistance at 53.00 to 53.92



CHARTS FROM ESIGNAL INTERACTIVE, INC.

ESTIMATES FOR JUNE 25TH HOGS AND PIGS REPORT

| | RANGE | AVERAGE | MIL HEAD |
|-------------------|-------------|---------|----------|
| All hogs June 1 | 102.1-105.1 | 103.7 | 78.502 |
| Kept for breeding | 97.4-98.8 | 98.2 | 6.292 |
| Kept for market | 102.4-105.7 | 104.2 | 72.204 |
| Pig crop | | | |
| March-May | 94-101.5 | 98.7 | |
| Weight Groups | | | |
| Under 50 lbs | 87.8-104.2 | 97.3 | |
| 50-119 lbs | 98-106.6 | 102.3 | |
| 120-179 lbs | 104-106.3 | 105.2 | |
| Over 180 lbs | 102.2-126.8 | 117.9 | |
| Farrowings | | | |
| March-May | 95.1-99.7 | 98.8 | |

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Farrowing intentions

| | | |
|------------------------|-------------------|-------------|
| June-Aug | 93.3-96.9 | 95.3 |
| Sept-Nov | 93.2-97.6 | 95.6 |
| Pigs per litter | | |
| March-May | 94.7-102.1 | 99.1 |

| Analysts | ALL HOGS JUNE 1 | KEPT FOR BREEDING | KEPT FOR MARKET |
|-----------------------------------|----------------------------|------------------------------|----------------------------|
| Allegiant Commodity Group | 105.1 | 98.8 | 105.7 |
| Allendale | 104.7 | 97.4 | 105.4 |
| Robert A. Brown | 104.3 | 97.9 | 104.9 |
| Linn & Associates | 102.1 | 98.0 | 102.4 |
| Livestock Mktg Info Center | 102.1 | 98.3 | 102.4 |
| New Frontier Capital Mkts | 103.7 | 98.6 | 104.2 |

Chris.Lehner@admis.com

312 242 7942

913.787.6804