



Morning July 30, 2020 Livestock Report

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

CATTLE

USDA FEDERAL SLAUGHTER

| | |
|-----------------------------|---------|
| JULY 29, 2020 | 119,000 |
| WEEK AGO | 117,000 |
| YEAR AGO | 121,000 |
| WEEK TO DATE (EST) | 355,000 |
| SAME PERIOD LAST WEEK (EST) | 352,000 |
| SAME PERIOD LAST YEAR (ACT) | 360,000 |

| | | |
|------------------------------|---------------|---------------|
| ===== | | |
| | CHOICE | SELECT |
| BOXED BEEF FINAL | 201.11 | 189.49 |
| CHANGE FROM PRIOR DAY | (1.85) | 1.17 |
| CHOICE/SELECT SPREAD: | | 11.62 |
| TOTAL LOAD COUNT | | 174 |
| 5 DAY SIMPLE AVERAGE: | 202.14 | 189.83 |
| ===== | | |

| | | |
|----------------------------|---------------|---------------|
| FINAL JULY 29, 2020 | CHOICE | SELECT |
| Primal Rib | 335.13 | 283.54 |
| Primal Chuck | 157.17 | 157.95 |
| Primal Round | 166.01 | 166.85 |
| Primal Loin | 274.70 | 247.87 |
| Primal Brisket | 142.86 | 140.39 |
| Primal Short Plate | 137.52 | 137.52 |
| Primal Flank | 121.06 | 111.21 |

| | | |
|----------------------------|---------------|---------------|
| FINAL JULY 28, 2020 | CHOICE | SELECT |
| Primal Rib | 333.39 | 272.50 |
| Primal Chuck | 162.08 | 159.37 |
| Primal Round | 166.12 | 166.64 |
| Primal Loin | 274.91 | 245.60 |
| Primal Brisket | 154.32 | 138.87 |
| Primal Short Plate | 137.52 | 137.52 |
| Primal Flank | 120.11 | 119.38 |

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LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS

| Date | Choice | Select | Trim | Grinds | Total | CHOICE 600-900 | SELECT 600-900 |
|-------|--------|--------|------|--------|-------|-------------------|-------------------|
| 07/28 | 64 | 37 | 15 | 9 | 124 | 202.96 | 188.32 |
| 07/27 | 58 | 19 | 9 | 8 | 94 | 202.55 | 190.13 |
| 07/24 | 55 | 26 | 10 | 26 | 117 | 201.77 | 190.63 |
| 07/23 | 74 | 19 | 9 | 21 | 123 | 202.26 | 190.79 |
| 07/22 | 58 | 30 | 6 | 31 | 124 | 201.15 | 189.28 |

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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 | 100.13 loads | 4,005,289 pounds |
| Select Cuts | 26.72 loads | 1,068,753 pounds |
| Trimmings | 15.70 loads | 627,842 pounds |
| Ground Beef | 31.04 loads | 1,241,758 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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BEEF AND PORK EXPORT HIGHLIGHTS FOR WEEK ENDING JULY 23,2020 AT BOTTOM OF REPORT

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Cheap US Dollar looks to be encouraging exports along with plants in Argentina and Brazil shut out of China because of COVID 19.

Using the daily boxed beef cutout or the pork carcass cutout as criteria for pricing cattle or hogs is not what it used to be. Primarily because daily movement is such a small sample of beef or pork sold. Over the past 5 days the average boxed beef movement was 117 loads. At 40,000 pounds per load, that's 4,680,000 pounds of beef. Using a slaughter of just 117,000 cattle per day with last week's steer and carcass average of 878 pounds, it is about 102,726,000 pounds. Somewhere there is 98,046,000 pounds of beef or 95.5 percent.

What is shown on the cutout is beef and pork reported during the mandatory reporting time from 0-21 days. Beef is being contracted ahead and it is one reason to use wide spreads as hedging opportunity to place floors.

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USDA POSTED CATTLE PRICES ON 7/29/2020
IA/MN – CASH 101.00 - 102.00 DRESSED 157.00 - 160.00



NE - CASH – 95.00 - 97.50 TUESDAY 158.00 - 160.00
 KS – CASH - 95.00 - 97.50 DRESSED: 160.00
 TX/OK/NM – 95.00 - 97.50
 COLORADO – 97.00 - 98.00

National Daily Direct Cattle July 29, 2020
 (5 day accumulated weighted avg)

| | Weight | Price | Head |
|-----------------|--------|----------|--------|
| Live Steer: | 1451 | \$98.00 | 28,107 |
| Live Heifer: | 1319 | \$97.11 | 14,234 |
| Dressed Steer: | 922 | \$158.14 | 23,800 |
| Dressed Heifer: | 838 | \$157.93 | 4,728 |

As of July 28th Dressed weights were 878.2 compared to previous week at 878.7. Compared to a year ago weights are up 34 pounds Grading percent was 83.6% compared to previous week at 83.1%.

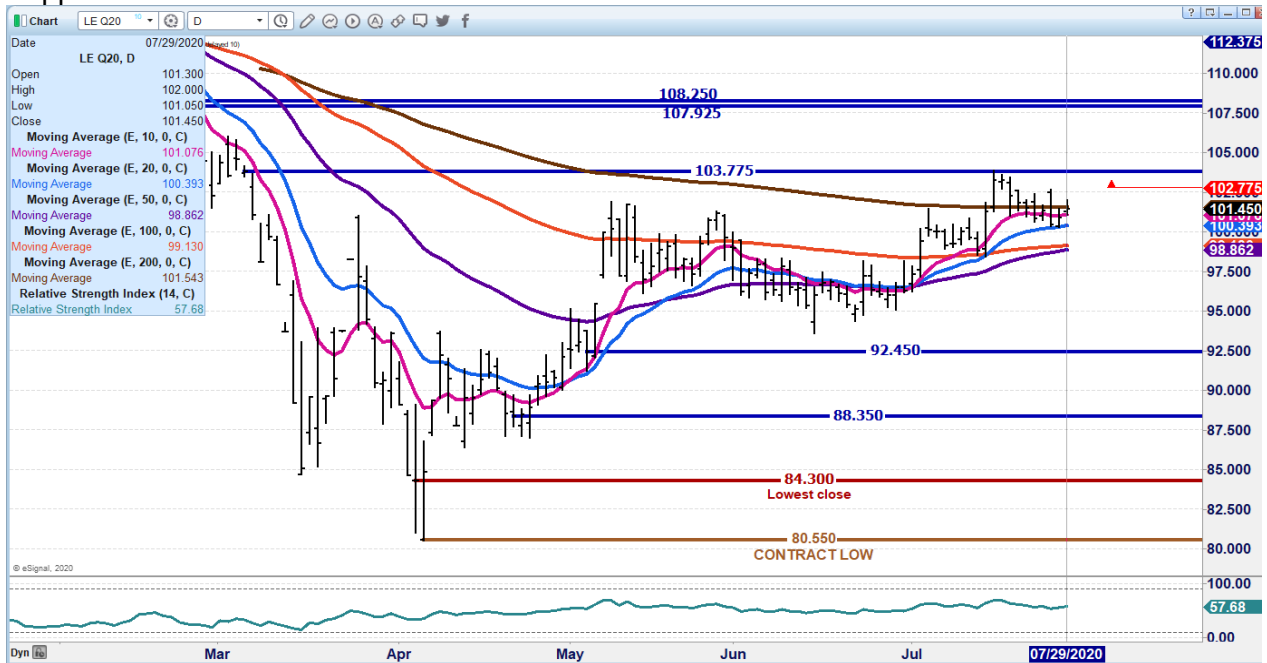
CHARTS ARE UPDATED ON MORNING REPORTS –

OCTOBER 2020 LIVE CATTLE/OCTOBER 2020 LEAN HOGS – Look for continued gains on cattle over hogs

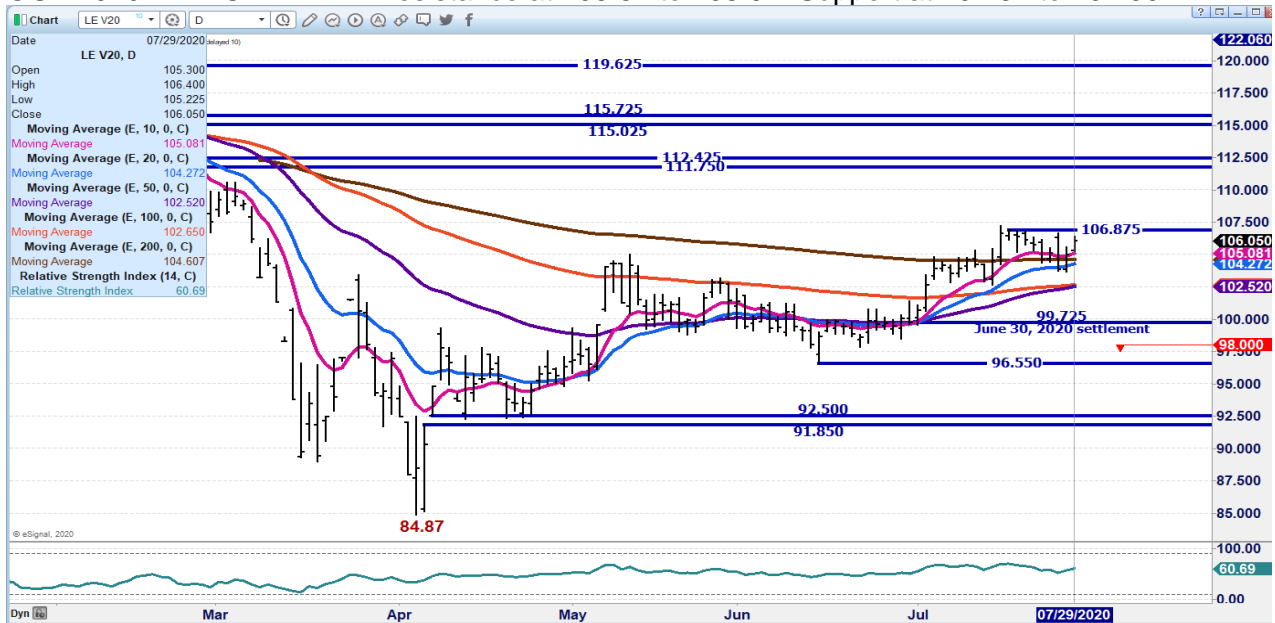




**AUGUST 2020 LIVE CATTLE – Strength in cash could put August to resistance at 103.77
Support 100.37 to 98.85**



OCT 2020 LIVE CATTLE – Resistance at 106.87 to 108.92 Support at 104.67 to 102.50



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Feeder Cattle

THE CME FEEDER INDEX ON 07/27/2020 IS 139.83 UP 6 CENTS FROM PREVIOUS DAY
AUGUST 2020 FEEDER CATTLE SETTLED AT 141.97 ON JULY 29, 2020.

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CASH FEEDERS ARE STRONG AND IF AUGUST CLOSES ABOVE 144.00 LOOK FOR CONTINUED STRENGTH.

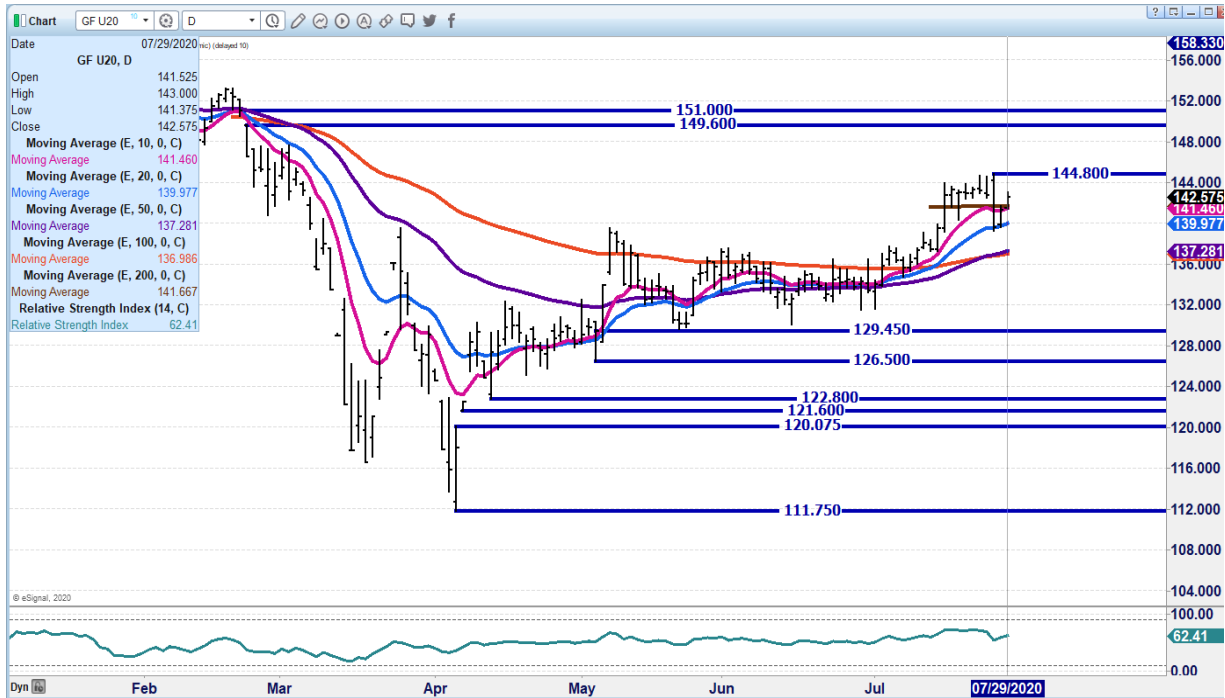
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AUGUST 2020 FEEDER CATTLE – RESISTANCE AT 143.82 SUPPORT AT 139.02





SEPTEMBER 2020 FEEDER - RESISTANCE AT 144.80 SUPPORT AT 139.87



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

| | |
|-----------------------------|-----------|
| JULY 29, 2020 | 477,000 |
| WEEK AGO | 472,000 |
| YEAR AGO | 472,000 |
| WEEK TO DATE (EST) | 1,407,000 |
| SAME PERIOD LAST WEEK (EST) | 1,415,000 |
| SAME PERIOD LAST YEAR (ACT) | 1,390,000 |

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CME CASH HOG INDEX 07/27/2020 AT 51.10 UP 87 CENTS FROM PREVIOUS DAY.
 CME CASH PORK CUTOUT INDEX 07/27/2020 AT DOWN 63 DOWN 54 CENTS FROM PREVIOUS DAY.
 CME CASH FRESH BACON INDEX ON 7/24/2020 WAS 130.93 COMPARED TO 07/17/2020 WAS 132.05



With big Saturday slaughter and packers pushing as many hogs through the plant as they can at this time, hogs are current. Weights have been dropping and when packers are making about \$65/head it is easy to see why they are pushing hogs to kill. By the end of this week the year to date slaughter is going to be 1% above a year ago and that's with packers down or slowed March through April.

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Have Hams and Bellies Been Cornered?

With the big swings in the ham and belly markets, it is looking like hams and bellies have been "cornered. Now, hand to mouth daily buyers that need inventory have to pay up for what is available . It could be Mexico that has cornered hams and bellies. Mexico for years has been a consistent and strong buyer of hams and bellies. Hams and bellies have been cheap, and both lagged behind other primal cuts all spring up to July.

Both cuts for years have been favored cuts in Mexico where they are trimmed out and sold as trimmings or processed into sausage products. US pork loins are too lean especially for further processing. US pork loins aren't just the other white meat but are just like boneless chicken breast. There is a reason why the last cold storage report showed a record high storage of Chicken Breast and White Meat and the reason is exporters don't want super lean pork and chicken.

Pork market has been concentrating on China when year after year, Mexico buys more US pork than Mainland China and Hong Kong buy combined. It may be different in 2020 with huge 1st quarter buy from China, but since May, China has dramatically slowed down.

Hong Kong/China

Volume

(Metric Tons)

| | |
|------|---------|
| 2019 | 103,220 |
| 2018 | 130,129 |
| 2017 | 133,746 |
| 2016 | 112,770 |
| 2015 | 120,905 |
| 2014 | 154,591 |
| 2013 | 130,112 |
| 2012 | 68,185 |
| 2011 | 51,772 |



Mexico
Volume
(Metric Tons)

| | |
|------|---------|
| 2019 | 236,707 |
| 2018 | 239,110 |
| 2017 | 237,972 |
| 2016 | 242,373 |
| 2015 | 225,574 |
| 2014 | 242,566 |
| 2013 | 216,386 |
| 2012 | 192,989 |
| 2011 | 256,938 |
| 2010 | 247,614 |

Statistics provided by U.S. government and compiled by U.S. Meat Export Federation
www.USMEF.org

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JULY 29, 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: 303.98
LOADS TRIM/PROCESSED PORK : 30.94

| Date | Loads | Carcass | Loin | Butt | Pic | Rib | Ham | Belly |
|---------------------|--------|---------|-------|-------|-------|--------|-------|-------|
| 07/29/2020 | 334.92 | 67.91 | 66.74 | 70.24 | 47.26 | 116.95 | 59.68 | 94.25 |
| CHANGE : | | -1.50 | -0.85 | -0.35 | -0.57 | 0.63 | -6.03 | 0.24 |
| Five Day Average -- | | 70.22 | 68.70 | 69.44 | 46.61 | 113.99 | 67.73 | 96.18 |

MORNING

| Date | Loads | Carcass | Loin | Butt | Pic | Rib | Ham | Belly |
|---------------------|--------|---------|-------|-------|-------|--------|-------|-------|
| 07/29/2020 | 193.60 | 70.20 | 68.05 | 69.89 | 48.79 | 116.44 | 66.21 | 95.78 |
| CHANGE : | | 0.79 | 0.46 | -0.70 | 0.96 | 0.12 | 0.50 | 1.77 |
| Five Day Average -- | | 70.22 | 68.70 | 69.44 | 46.61 | 113.99 | 67.73 | 96.18 |

NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

Slaughter Data for JULY 28, 2020

Average carcass weight - 276.59
Average live weight - 207.85

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



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

Carcass Base Price: \$37.00 - \$44.00
 Weighted Average: \$42.30
 Change from Prior Day: 0.37 lower
 HOGS SOLD: 15,566

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)

PRICE RANGE: \$35.54 - \$66.19
 Weighted Average \$52.89 PREVIOUS DAY \$52.44
 HOGS SOLD: 147,297

NATIONAL NEGOTIATED LIVE HOG PURCHASE PRICE

PRICE RANGE: \$28.23 - \$34.50,
 Weighted Average: \$32.57
 Change from Prior Day: 0.03 higher
 Hogs sold: 289

https://www.ams.usda.gov/mnreports/lm_hg203.txt

AUGUST 2020 LEAN HOGS – Resistance at 53.97 to 55.27 Support at 52.37



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OCTOBER 2020 LEAN HOGS - Resistance at 51.47 Support at 49.02 to contract lows



CHARTS FROM ESIGNAL INTERACTIVE, INC.

Beef: Net sales of 29,500 MT reported for 2020--a marketing-year high--were up 89 percent from the previous week and 81 percent from the prior 4-week average. Increases primarily for South Korea (11,500 MT, including decreases of 600 MT), Japan (10,600 MT, including decreases of 400 MT), Taiwan (1,500 MT, including decreases of 200 MT), China (1,400 MT), and Hong Kong (1,300 MT, including decreases of 100 MT), were offset by reductions primarily for Chile (100 MT) and the Philippines (100 MT). For 2021, net sales of 1,200 MT were primarily for Mexico (1,100 MT) and the Philippines (100 MT). Exports of 18,300 MT were up 14 percent from the previous week and 19 percent from the prior 4-week average. The destinations were primarily to Japan (6,600 MT), South Korea (5,700 MT), Taiwan (1,400 MT), Canada (1,200 MT), and Hong Kong (1,000 MT).

Pork: Net sales of 39,600 MT reported for 2020 were up 24 percent from the previous week and 12 percent from the prior 4-week average. Increases primarily for China (17,800 MT, including decreases of 1,200 MT), Mexico (15,400 MT, including decreases of 200 MT), Canada (2,300 MT, including decreases of 400 MT), Japan (900 MT, including decreases of 1,800 MT), and the Philippines (800 MT, including 200 MT switched from Vietnam), were offset by reductions



primarily for Australia (400 MT). For 2021, total net sales of 400 MT were for Australia. Exports of 31,500 MT were down 12 percent from the previous week and 3 percent from the prior 4-week average. The destinations were primarily to China (10,200 MT), Mexico (9,200 MT), Japan (4,400 MT), Canada (2,300 MT), and South Korea (1,000 MT).

Chris.Lehner@admis.com

312 242 7942

913.787.6804