



Morning August 13, 2020 Livestock Report

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CATTLE

USDA FEDERAL SLAUGHTER

AUGUST 12, 2020	117,000
WEEK AGO	117,000
YEAR AGO	115,000
WEEK TO DATE (EST)	347,000
SAME PERIOD LAST WEEK (EST)	346,000
SAME PERIOD LAST YEAR (ACT)	347,000

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	CHOICE	SELECT
BOXED BEEF FINAL	209.09	195.99
CHANGE FROM PRIOR DAY	1.01	0.97
CHOICE/SELECT SPREAD:		13.10
TOTAL LOAD COUNT		182
5 DAY SIMPLE AVERAGE:	205.80	192.90

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FINAL AUGUST 12, 2020	CHOICE	SELECT
Primal Rib	350.62	307.34
Primal Chuck	163.21	159.79
Primal Round	169.46	170.29
Primal Loin	289.88	257.14
Primal Brisket	150.92	146.51
Primal Short Plate	139.02	139.02
Primal Flank	118.86	114.23

FINAL AUGUST 11, 2020

	CHOICE	SELECT
Primal Rib	348.28	306.01
Primal Chuck	161.66	159.86
Primal Round	169.58	169.50
Primal Loin	288.47	254.72
Primal Brisket	150.56	144.66
Primal Short Plate	138.22	138.22
Primal Flank	120.97	114.07



LOAD COUNT AND CUTOUT VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
08/11	84	23	19	29	156	208.08	195.02
08/10	64	20	9	15	108	207.20	193.93
08/07	64	15	16	21	116	205.47	192.75
08/06	90	15	18	20	143	204.66	192.01
08/05	79	30	8	35	152	203.57	190.82
08/04	83	26	12	39	160	204.24	190.45

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	115.67 loads	4,626,922 pounds
Select Cuts	33.56 loads	1,342,512 pounds
Trimmings	15.26 loads	610,341 pounds
Ground Beef	17.44 loads	697,704 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)

BEEF AND PORK EXPORT HIGHLIGHTS AT BOTTOM OF REPORT

DELIVERY NOTICE SERVED – AUGUST 2020 - LIVE CATTLE

SETTLEMENT: AUGUST 12, 2020 - \$106.35
OLDEST LONG: 03/02/20 SETTLEMENT \$104.35
6 – DELIVERIES

FIRM #	FIRM NAME	DEL	REC
800	MAREX SPEC	6	
685	R.J.O'BRIEN ASSOC	6	12

LOCATION: CLOVIS

Wednesday, the Fed Cattle Exchange had 890 head, 348 sold for \$104.50 for delivery 1- 9 days and 254 sold for average prices of \$104.27 for 1-17 day delivery All cattle sold were from Kansas and Texas. If prices on FCE are indications of what will happen in cash markets, look for continued strength in futures at least on spot month August



Beef prices Wednesday gained with strength in Choice Primal Ribs, Loins, Chucks, and Briskets. Rounds just off 12 cents. Select rounds higher than Choice rounds. Fairly decent movement especially on Choice beef.

Both cash cattle and beef markets have been improving. At least for now, cattle and beef markets impressive. Futures are back to levels when cattle broke late February.

Inventories in the Midwest are less compared to the Southwest. Spread between Midwest and Southwest cattle narrowing is positive as packers feedlots from Kansas and Central Plains moving cattle to Midwest plants.

Steer and heifer weights have been steadily dropping over the past month. Average steer and carcass weights for weekending August 11th were down 5 pounds from previous week. They are 25 pounds over same time a year ago. They are 10 pounds less than a month ago compared to same period now.

When packers have big profits they want to kill cattle and with improvement in beef cutout, they will pay up for cattle when inventories show smaller feedlot supplies. Packers have a distinct advantage. They know demand for beef past mandatory reporting times.

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USDA POSTED CATTLE PRICES ON 8/12/2020
 IA/MN –CASH SALES 105.00 - 107.00 DRESSED 165.00 - 167.00
 NE - CASH – 105.00 DRESSED 165.00 - 166.00
 KS – CASH – 104.00 - 105.00 DRESSED: NONE
 TX/OK/NM – 104.00
 COLORADO – 104.00

National Daily Direct Cattle AUGUST 12, 2020
 (5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1449	\$101.87	31,762
Live Heifer:	1301	\$101.84	19,870
Dressed Steer:	935	\$165.13	21,593
Dressed Heifer:	843	\$165.90	6,752

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As of August 11th Dressed weights were 876.6 compared to previous week at 878.1. Compared to a year ago weights are 25 pounds over a year ago and down 6 from a week ago. Grading percent was 83.5% compared to previous week at 83.0%.

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CHARTS ARE UPDATED ON MORNING REPORTS –

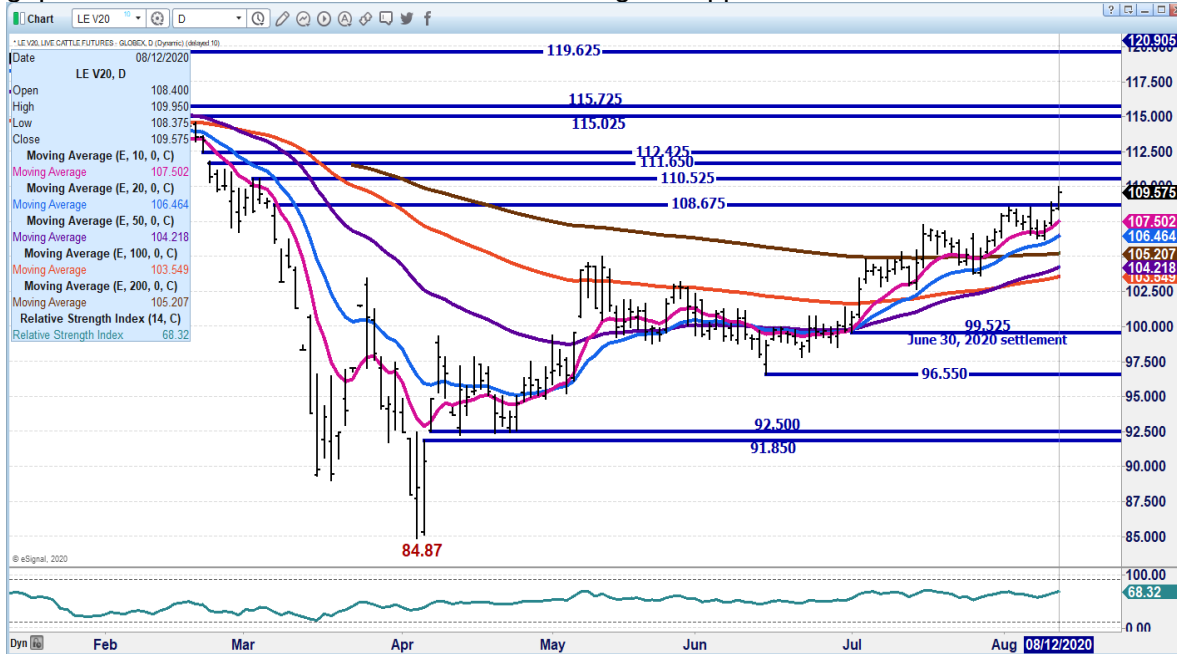
AUGUST 2020 LIVE CATTLE/OCTOBER 2020 LIVE CATTLE – Spread narrowing is friendly. Current spread is in normal range.



AUGUST 2020 LIVE CATTLE – Highs back to February 25th. Open interest 11,610. Longs are sticking. There are two more weeks to month but longs so far taking deliveries. Next resistance is 107.92/109.25. Support at 104.15 to 103.52. RSI at 74 is not overbought but traders could take profits anytime



OCTOBER 2020 LIVE CATTLE – Moved above resistance Wednesday Next level is 110.52 to gap at 111.65/112.42. RSI at 68 is not overbought Support at 107.50 to 105.45



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Feeder Cattle

THE CME FEEDER INDEX ON 08/11/2020 IS 142.62 UP 20 CENTS FROM PREVIOUS DAY
AUGUST 2020 FEEDER CATTLE SETTLED AT 145.25 ON AUGUST 12, 2020.

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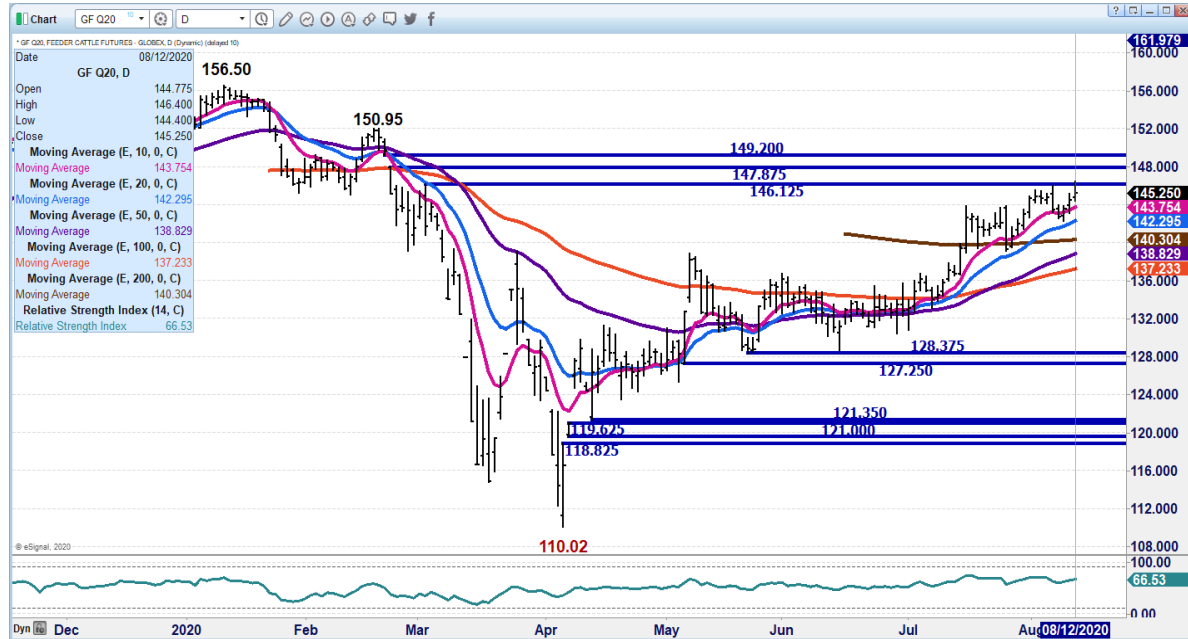
NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 08/07/2020

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week:	171,800	66,400	261,400	499,600
Last Week:	136,100	48,500	400	185,000
Year Ago:	154,600	58,100	241,400	454,100

COMPARED TO LAST WEEK, STEERS AND HEIFERS SOLD STEADY TO 3.00 HIGHER. ORDER BUYERS AND FARMER FEEDERS WERE FRONT AND CENTER READY TO PROCURE CATTLE THROUGHOUT THIS WEEK.

[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/SJ_LS850.TXT](https://www.ams.usda.gov/mnreports/sj_ls850.txt)

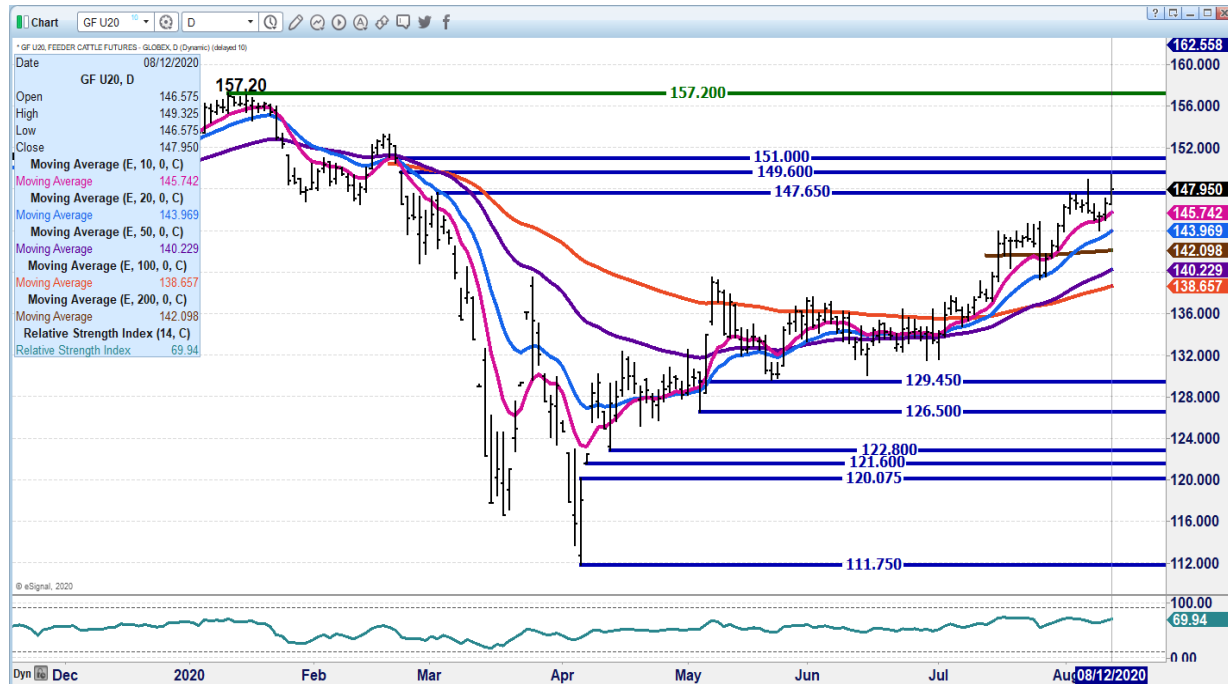
AUG 2020 FEEDER CATTLE – 146.12 TO 149.20 RESISTANCE. SUPPORT AT 143.75 142.30



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**SEPTEMBER 2020 FEEDER - MOVED TO LOW OF GAP. NEXT RESISTANCE IS 151.00
STRONG SUPPORT AT 145.75**



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

AUGUST 12, 2020	481,000
WEEK AGO	475,000
YEAR AGO	484,000
WEEK TO DATE (EST)	1,396,000
SAME PERIOD LAST WEEK (EST)	1,354,000
SAME PERIOD LAST YEAR (ACT)	1,415,000

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CME CASH HOG INDEX 08/10/2020 AT 53.77 UP 58 CENTS FROM PREVIOUS DAY.

CME CASH PORK CUTOUT INDEX 08/11/2020 AT 70.03 UP 1.21 FROM PREVIOUS DAY.

CME CASH FRESH BACON INDEX ON 8/7/2020 WAS 134.40 COMPARED TO 7/31/2020 WAS 128.62



Disappointing exports except for consistent buying from Mexico. Look for less buying from China going forward. July China buying more from China and Europe and likely will continue to use those suppliers versus US in any large purchases.

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Hams driving pork cutout. Likely Mexican business. There seem to be enough hogs especially packer formula and grid hogs. With poor exports look for down move on futures also traders buying cattle and selling hogs

Basing hog prices on pork movement on daily prices has become a lesson in futility. It is better to base pork price movement on what changes take place from one week to the next.

With Cheap dollar Mexico should remain strong buyer. On export report Thursday morning except China to be a buyer but nothing big but Mexico to be either the top US pork buyer or close second.

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For Monday hogs lost two pounds from the combined Friday and Saturday slaughter. Keep an eye on weights. Lowering weights will show how packers need hogs. A drop in weights and revision down in slaughter good indication packers need hogs and likely are pulling hogs forward.

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AUGUST 11, 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

LOADS OF PORK CUTS: 308.23
LOADS TRIM/PROCESSED PORK : 40.75
FINAL 8/11/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
08/011/2020	348.98	72.44	69.46	73.09	45.22	121.95	64.78	107.30
CHANGE :		2.05	-4.11	-4.08	-3.51	1.48	16.94	-2.85
Five Day Average --		71.13	70.45	74.68	48.96	121.02	55.37	109.37

MORNING Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
08/12/2020	199.92	70.88	69.22	73.00	41.44	123.59	61.88	104.66
CHANGE :		0.49	-4.35	-4.17	-7.29	3.12	14.04	-5.49
Five Day Average --		70.81	70.40	74.66	48.21	121.35	54.79	108.84

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NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE
Slaughter Data for AUGUST 11, 2020

Average carcass weight - 278.21
Average live weight - 208.78
https://www.ams.usda.gov/mnreports/ams_2511.pdf

DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM AUGUST 12, 2020
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES
Carcass Base Price: \$34.50 - \$40.00
Weighted Average: \$37.69
Change from Prior Day: 0.26 higher
HOGS SOLD: 4,376

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)
PRICE RANGE: \$36.74 - \$66.55,
Weighted Average \$52.07 PREVIOUS DAY \$53.03
HOGS SOLD: 150,023

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

AUGUST 2020 LEAN HOGS – Hanging around 50 day average. A close over 55.27 puts upside resistance at 57.67 Support at 51.87





OCT 2020 LEAN HOGS - Resistance is 54.00 to 54.95 Support at 50.37 and needs to hold



CHARTS FROM ESIGNAL INTERACTIVE, INC.

BEEF AND PORK EXPORT HIGHLIGHTS WEEK ENDING AUGUST 6, 2020

Beef: Net sales of 11,600 MT reported for 2020 were down 13 percent from the previous week and 46 percent from the prior 4-week average. Increases primarily for Japan (2,900 MT, including decreases of 500 MT), China (1,900 MT), Canada (1,400 MT, including decreases of 100 MT), Hong Kong (1,300 MT, including decreases of 100 MT), and South Korea (1,200 MT, including decreases of 600 MT). Exports of 16,800 MT were down 4 percent from the previous week, but up 1 percent from the prior 4-week average. The destinations were primarily to South Korea (5,500 MT), Japan (4,800 MT), Taiwan (1,500 MT), Mexico (1,100 MT), and Hong Kong (1,000 MT).

Pork: Net sales of 10,500 MT reported for 2020 were down 66 percent from the previous week and 70 percent from the prior 4-week average. Increases primarily for Mexico (8,800 MT, including decreases of 200 MT), Japan (2,700 MT, including decreases of 900 MT), Canada (1,600 MT, including decreases of 400 MT), Australia (1,100 MT), and Chile (1,000 MT), were offset by reductions primarily for China (8,800 MT). For 2021, total net sales of 100 MT were for Australia. Exports of 34,900 MT were up 2 percent from the previous week and 7 percent from



the prior 4-week average. The destinations were primarily to Mexico (11,000 MT), China (9,900 MT), Japan (4,000 MT), Canada (2,300 MT), and South Korea (1,300 MT).

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