



## Morning September 24, 2020 Livestock Report

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### SEPTEMBER 2020 LIVESTOCK REPORTS

**HOGS AND PIGS REPORT – THURSDAY SEPTEMBER 24, 2020 2:00PM US CENTRAL TIME**

**CATTLE ON FEED REPORT – FRIDAY, SEPTEMBER 25, 2020 2:00PM US CENTRAL TIME**

**BEEF AND PORK EXPORT HIGHLIGHTS FOR WEEK ENDING SEPTEMBER 24, 2020 AT BOTTOM OF REPORT**

## CATTLE

### USDA FEDERAL SLAUGHTER

SEPTEMBER 23, 2020	120,000
WEEK AGO	120,000
YEAR AGO	118,000
WEEK TO DATE (EST)	361,000
SAME PERIOD LAST WEEK (EST)	360,000
SAME PERIOD LAST YEAR (ACT)	350,000

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	CHOICE	SELECT
BOXED BEEF FINAL	215.87	207.60
CHANGE FROM PRIOR DAY	0.43	1.30
CHOICE/SELECT SPREAD:		8.27
TOTAL LOAD COUNT		169
5 DAY SIMPLE AVERAGE:	215.55	204.79

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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 SEPTEMBER 23, 2020	CHOICE	SELECT
Primal Rib	367.13	341.95
Primal Chuck	175.83	173.70
Primal Round	171.02	171.18
Primal Loin	293.93	272.52
Primal Brisket	160.91	156.15
Primal Short Plate	139.77	139.77
Primal Flank	101.13	100.43



FINAL SEPTEMBER 22, 2020

Primal Rib	360.08	342.87
Primal Chuck	173.17	168.28
Primal Round	171.29	170.89
Primal Loin	298.76	273.15
Primal Brisket	159.49	156.01
Primal Short Plate	140.28	140.28
Primal Flank	104.24	103.58

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LOAD COUNT AND CUTOUT VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
09/22	108	29	9	17	162	215.44	206.30
09/21	70	17	7	12	106	216.22	205.82
09/18	84	21	28	13	147	215.64	203.94
09/17	144	31	7	34	217	215.05	203.39
09/16	95	28	6	37	166	215.38	204.51

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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	92.18 loads	3,687,072 pounds
Select Cuts	30.38 loads	1,215,199 pounds
Trimmings	11.38 loads	455,168 pounds
Ground Beef	35.42 loads	1,416,916 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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USDA POSTED CATTLE PRICES ON 9/23/2020

IA/MN –CASH 104.00 ON 40 HEAD DRESSED - 163.00 - 164.00 ON 205 HEAD  
NE - CASH – 103.00 - 105.00 DRESSED 165.00 TOTAL CASH AND DRESSED 1,263 HEAD  
KS – CASH – 104.00 ON 72 HEAD DRESSED NO DRESSED SALES WEDNESDAY  
TX/OK/NM – 104.25 ON 148 HEAD  
CO – \*\*Information not available due to confidentiality\*\*



National Daily Direct Cattle SEPTEMBER 23, 2020  
(5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1479	\$103.56	39,415
Live Heifer:	1299	\$103.36	17,107
Dressed Steer:	950	\$163.65	18,614
Dressed Heifer:	852	\$163.33	7,042

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### Nebraska Senator Introduces Cattle Plan

Sen. Fischer's Bill Would Allow USDA to Establish a Regional Minimum Cash Trade for Cattle

By Chris Clayton , DTN Ag Policy Editor

<https://www.dtnpf.com/agriculture/web/ag/news/world-policy/article/2020/09/22/sen-fischers-bill-allow-usda-minimum>

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Cash cattle sales are slow so far this week. A few head have sold but it appears feedlots have a hand this week in what packers are going to pay. Weights are down and weights dropping likely have to do with last week's early low sales in Kansas where feedlots were holding cattle in order to push more feed into them and finally had to move them when contract feeders had to come off grass. Boxed beef has been steady to better over the past week which also helps the position of feedlots. Big packer profits have packers wanting to keep lines filled

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On the Monday, I reported trading would be quiet this week for Live Cattle and Lean Hogs before the Hogs and Pigs report and Cattle on Feed report, but I didn't think volume would be as slow as it has become. At 1:00PM when livestock settled, December cattle trade volume was a little over 15,000 contracts and December Lean Hog volume was around 13,500 contracts. October Feeder Cattle were under 2,400 contracts and November had around 2,500 contacts. The most active trading took place from 1:00PM to 1:05PM when there was a time for traders to even up trades on the post but now has become a time for algorithm formula trading to quick trade spreads.

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### Thoughts on Beef and Pork Industry – Chris Lehner

JBS, Smithfield, Cargill Meats, National Beef Packing, and Tyson are well known companies to everyone in US livestock. Over the past couple of years US, livestock producers have been focusing on processors in Brazil. However, because of the hogs found over the past month with



African Swine Fever in Germany, the European Union has become newsworthy and it should have had a lot of more importance. Below are a few of the meat global conglomerates that make up mega global meat industry leaders in the European Union.

- Danish Crown Group is Europe's largest pork and beef producer headquartered in Denmark. It has slaughtering and processing facilities throughout the EU as well as China and other Asian countries. It is the largest pork exporter in the EU.
- Cherkizovo Group from Russia. Started out in poultry and is now the largest meat company in Russia. Last year invested \$billions to increase hog production with new large agreements with China.
- NH Foods Ltd from Japan has operations in 21 countries with fresh meats, aqua farming, marine products and vegetables.
- Vion Food Group is the largest packing house and processor in the Netherlands
- The Tönnies Group in Germany is an international company with eight divisions across the EU.

Don't be surprised to hear one or more EU and/or Asian processor in the future to invest, merge, or buy parts or all of a meat company in the US. Major US companies have facilities across the globe, and JBS and National Beef are divisions of South American companies. European Union companies were increasing in China and Japan before the US/Chinese trade wars and during it signed new or extended trade agreements. Brazilian processors not only greatly increased beef and pork exports during the trade war but encroached on US business. Profit margins for processors have been big over the past couple of years. They will do something with their money.

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The Fed Cattle Exchange has 683 head for morning Internet sale. 219 head sold. There were a total of 4 sale lots and all cattle listed were heifers. 1 lot sold for 104.25 and another for 104.00 for delivery from 1 -17 days.

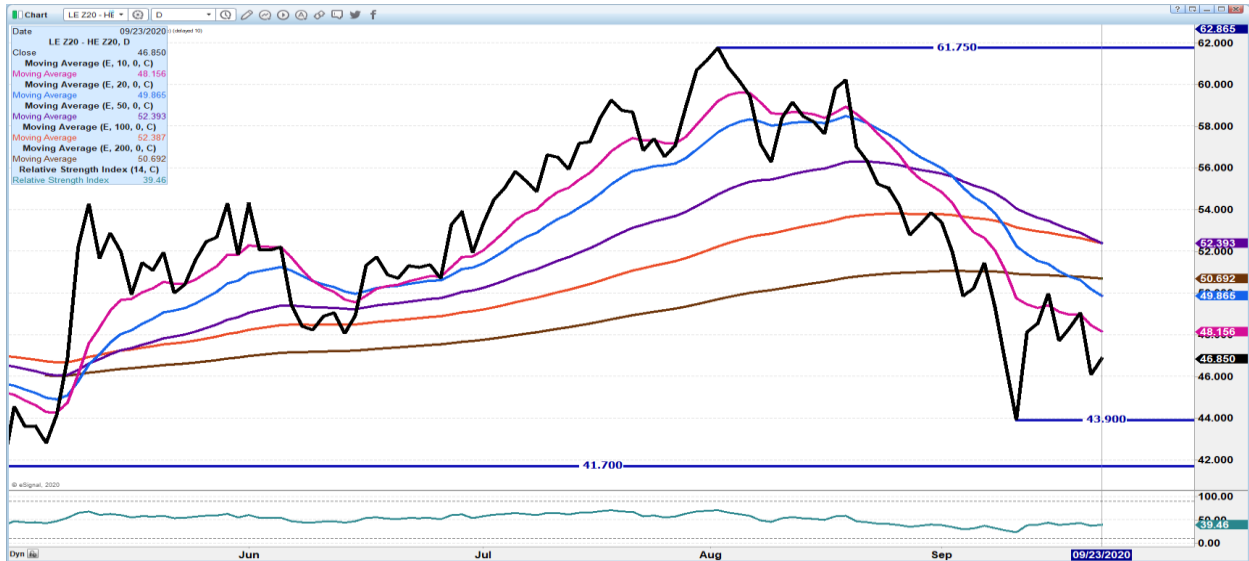
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As of September 22<sup>nd</sup>, dressed steer and heifer weights were 887.0 compared to previous week at 896.6 DOWN 9.6 pounds from week ago and 17 pounds over a year ago but 12 from previous week at 29 over.. Grading percent was 82.2% compared to previous week at 82.6%.

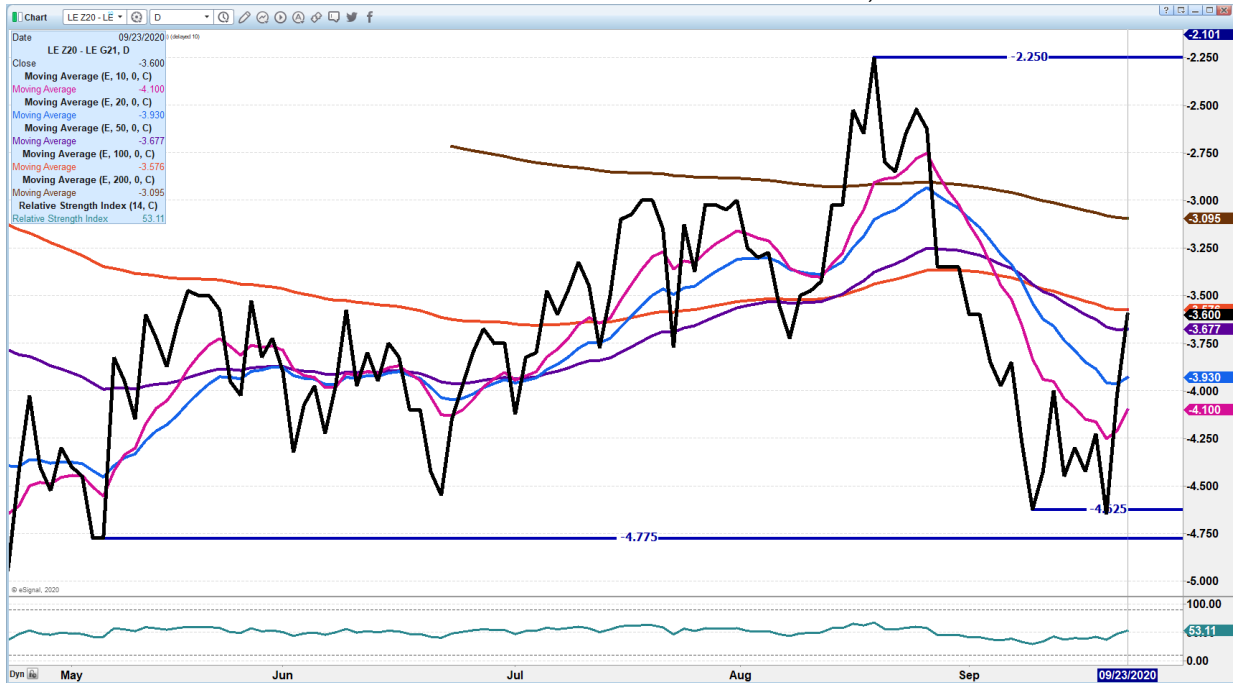
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DECEMBER 2020 LIVE CATTLE/DECEMBER 2020 LEAN HOG SPREAD - SHOULD START TO SEE CATTLE MOVING HIGHER ON HOGS





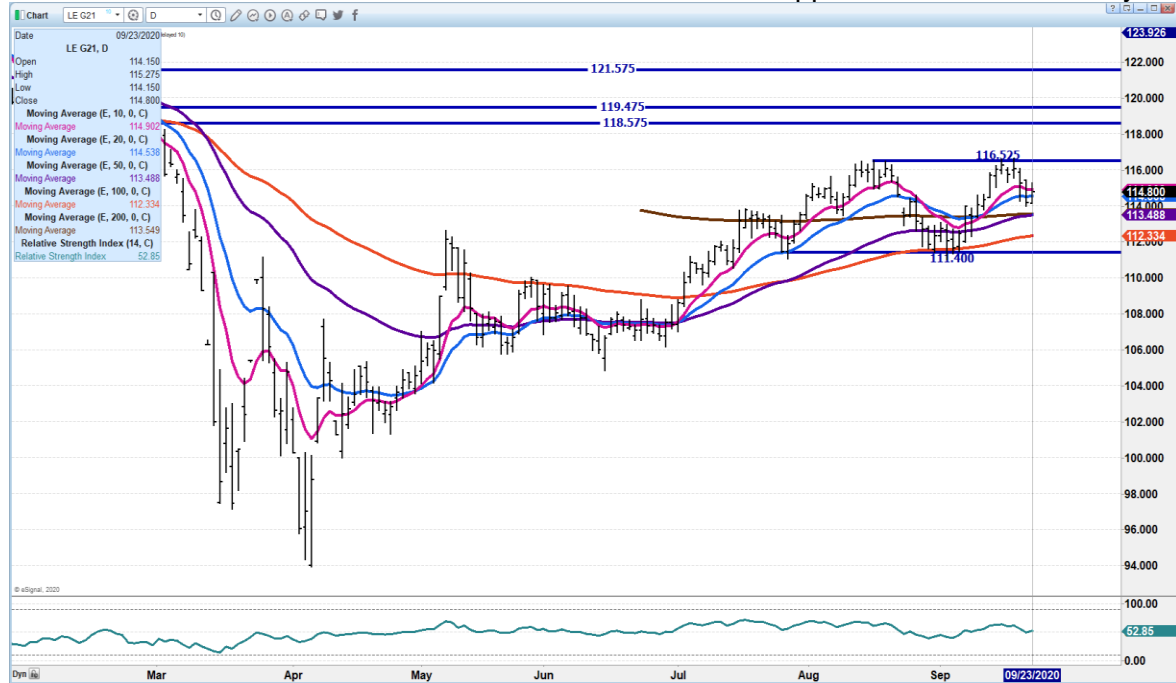
DECEMBER 2020/FEBRUARY 2020 LIVE CATTLE SPREAD - SPREAD HAS NARROWED TO A "NORMAL" BEAR SPREAD . IF CONTINUES TO NARROW, IT IS FRIENDLY







**FEBRUARY 2021 LIVE CATTLE – Resistance at 116.52 Support 112.45 Volume only 6879**



**Feeder Cattle**

THE CME FEEDER INDEX ON 09/21/2020 WAS 142.28 DOWN 17 CENTS FROM PREVIOUS DAY

SEPTEMBER 2020 FEEDER CATTLE SETTLEMENT ON SEPTEMBER 22, 2020 WAS \$142.00

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**NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 09/18/2020**

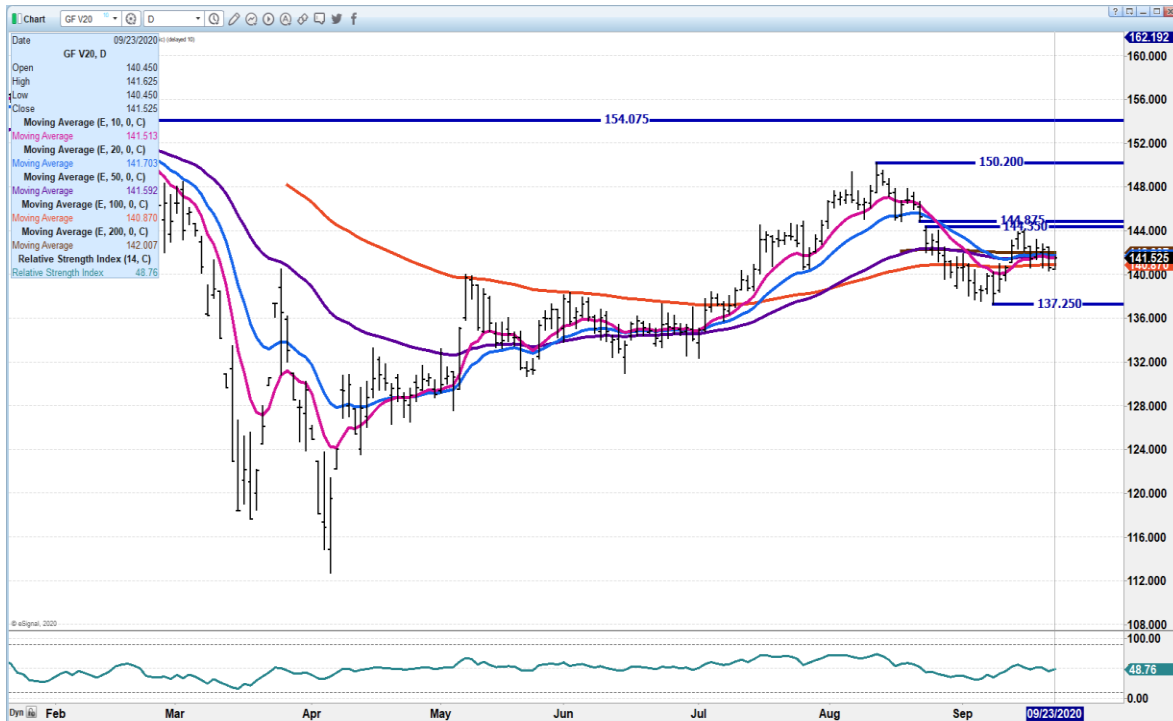
RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	201,200	46,700	39,800	287,700
LAST WEEK:	119,800	24,000	68,200	212,000
YEAR AGO:	158,500	78,100	32,100	268,700



COMPARED TO LAST WEEK, COMING BACK AFTER LAST WEEK'S LABOR DAY HOLIDAY MANY MARKETS THIS WEEK ARE COMPARED TO TWO WEEKS AGO, ESPECIALLY SOME OF THE LARGE VOLUME MONDAY SALES AND EARLY WEEK SALES. ORDER BUYERS THIS WEEK FLEXED THEIR MUSCLES PURSUING THE LONG GREEN GRASS YEARLINGS OVER 750 LBS, MOSTLY 850-1000 LBS SELLING STEADY TO 5.00 HIGHER WITH INSTANCES 8.00 HIGHER. CALVES ARE SPLIT INTO TWO GROUPS THE LONG TIME WEANED CALVES WITH VACCINATION PROGRAMS SELLING MOSTLY STEADY TO FIRM WITH SOME SALES UP TO 5.00 HIGHER. THE OTHER SIDE OF THE COIN IS THE UNWEANED FLESHY BAWLERS IN MANY CASES WHERE REPORTED TRADING 3.00-8.00 LOWER OR REPORTED WITH A SHARPLY LOWER UNDERTONE.

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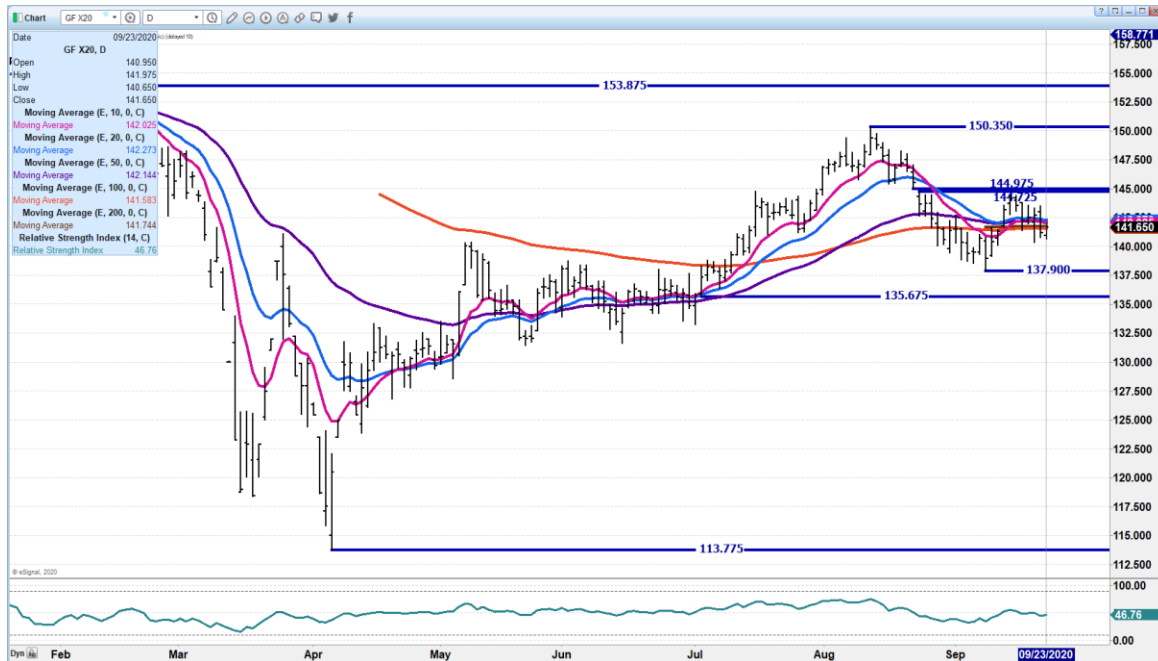
OCTOBER 2020 FEEDER CATTLE – WAITING FOR REPORT. LOOK FOR DEMAND TO INCREASE GOING FOORWARD. RESISTANCE AT 144.87 SUPPORT 137.25







**NOVEMBER 2020 FEEDER CATTLE - RESISTANCE AT 144.97 SUPPORT AT 137.90  
VOLUME ONLY 2607**



**LEAN HOGS**

**USDA ESTIMATED FEDERAL HOG SLAUGHTER – TUESDAY**

SEPTEMBER 23, 2020	487,000
WEEK AGO	485,000
YEAR AGO	476,000
WEEK TO DATE (EST)	1,450,000
SAME PERIOD LAST WEEK (EST)	1,456,000
SAME PERIOD LAST YEAR (ACT)	1,390,000

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CME CASH HOG INDEX 09/21/2020 AT 72.17 UP 88 CENTS FROM PREVIOUS DAY -

CME CASH PORK CUTOUT INDEX 09/22/2020 AT 87.32 UP 1.07 FROM PREVIOUS DAY.



CME CASH FRESH BACON INDEX ON 09/18/2020 WAS 175.11 COMPARED TO 09/11/2020 WAS 163.42

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Pork movement started out light on Wednesday morning with a total of just 161 loads and by the afternoon remained light moving 291 loads. On morning sales hams were up \$10.32 after Tuesday's close down \$16.45 and by Wednesday afternoon settled up \$2.93. Hams are like a yoyo. But they have been the leader to the upside. Hams at this time need to be monitored for direction of cutout unless loins take on leadership.

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(Reuters) - The U.S. hog herd was likely about the same size on Sept. 1 compared to a year earlier, a Reuters survey of analysts showed on Tuesday ahead of the U.S. Department of Agriculture's quarterly Hogs and Pigs report.

The USDA report is due at 2 p.m. CDT (1900 GMT) on Thursday.

All figures are in percent, versus a year earlier unless otherwise noted:

	Ranges	Average	
All hogs September 1	96.9-102.6	100.1	78.67
Kept for breeding	96.7-98.9	97.5	6.270
Kept for market	96.9-103.0	100.6	72.550
Pig crop			
June-August	93.2-96.0	95.1	
Weight Groups			
Under 50 lbs	95.0-100.5	98.6	
50-119 lbs	95.4-102.0	99.8	
120-179 lbs	98.1-105.1	102.3	
Over 180 lbs	101.0-106.6	103.3	
Farrowings			
June-August	95.1-96.9	95.7	
Farrowing intentions			



September-November	94.3-97.2	95.5	
December-February	95.0-99.7	97.0	
Pigs per litter			
June-Aug	99.7-100.4	100.1	

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**SEPTEMBER 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**

SEPTEMBER 23, 2020

LOADS OF PORK CUTS: 255.01

LOADS TRIM/PROCESSED PORK: 35.65

**FINAL 9/23/2020**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/23/2020	290.66	88.97	76.06	81.08	60.96	131.81	82.08	150.67
CHANGE :		0.31	-0.81	-1.87	-3.81	1.51	2.93	0.36
Five Day Average --		88.46	74.44	81.55	61.74	129.36	84.91	147.08

**NOON 9/23/2020**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/23/2020	160.78	90.75	74.06	80.35	59.76	133.59	89.47	154.34
CHANGE :		2.09	-2.81	-2.60	-5.01	3.29	10.32	4.03
Five Day Average --		88.81	74.04	81.40	61.50	129.71	86.39	147.81

**SETTLE ON FRIDAY 9/18/2020**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/18/2020	389.73	87.53	73.78	80.91	60.87	128.34	84.13	145.26

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**NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE**

SLAUGHTER DATA FOR SEPTEMBER 22, 2020

Average carcass weight - 279.11

Average live weight - 208.68

[https://www.ams.usda.gov/mnreports/ams\\_2511.pdf](https://www.ams.usda.gov/mnreports/ams_2511.pdf)



**DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM September 23, 2020  
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**

Carcass Base Price: \$58.50 - \$68.00  
Weighted Average: \$64.35  
Change from Prior Day: 1.00 higher  
HOGS SOLD: 9,463

**SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)**

PRICE RANGE: \$60.30 - \$84.23  
Weighted Average: \$72.52  
Previous Day: \$72.00  
HOGS SOLD: 147,451

[https://www.ams.usda.gov/mnreports/lm\\_hq203.txt](https://www.ams.usda.gov/mnreports/lm_hq203.txt)

**DECEMBER 2020 – FEBRUARY 2021 LEAN HOG SPREAD** Spread narrowing and should move to at least Dec 3.00 under Feb







**OCTOBER 2020 LEAN HOGS** Resistance February high where market tumbled last February at 69.97 Support at 65.75



**DECEMBER 2020 LEAN HOGS** – Resistance at 66.82 Support 62.65 to 60.75





**Beef:** Net sales of 18,000 MT reported for 2020 were up 26 percent from the previous week and 36 percent from the prior 4-week average. Increases were primarily for Japan (4,500 MT, including decreases of 500 MT), South Korea (4,500 MT, including decreases of 400 MT), China (3,400 MT), Taiwan (1,500 MT, including decreases of 200 MT), and Hong Kong (1,000 MT, including decreases of 400 MT). For 2021, net sales of 800 MT were primarily for Japan. Exports of 17,500 MT were up 24 percent from the previous week and 7 percent from the prior 4-week average. The destinations were primarily to South Korea (4,800 MT), Japan (4,600 MT), Taiwan (1,800 MT), Hong Kong (1,400 MT), and Mexico (1,400 MT).

**Pork:** Net sales of 37,800 MT reported for 2020 were down 25 percent from the previous week and 13 percent from the prior 4-week average. Increases were primarily for Mexico (15,000 MT, including decreases of 800 MT), China (8,200 MT, including decreases of 1,600 MT), Japan (4,100 MT, including decreases of 200 MT), South Korea (3,300 MT, including decreases of 500 MT), and Canada (2,300 MT, including decreases of 400 MT). For 2021, total net sales of 300 MT were for Australia. Exports of 35,800 MT were up 25 percent from the previous week and 12 percent from the prior 4-week average. The destinations were primarily to China (10,900 MT), Mexico (9,900 MT), Japan (5,100 MT), Canada (2,700 MT), and South Korea (1,600 MT).

*CHARTS FROM ESIGNAL INTERACTIVE, INC.*

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