



Morning September 04, 2020 Livestock Report

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CATTLE

USDA FEDERAL SLAUGHTER

SEPTEMBER 03, 2020	118,000
WEEK AGO,	119,000
YEAR AGO,	117,000
WEEK TO DATE (EST)	474,000
SAME PERIOD LAST WEEK (EST)	472,000
SAME PERIOD LAST YEAR (ACT)	352,000

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	CHOICE	SELECT
BOXED BEEF FINAL	227.24	212.50
CHANGE FROM PRIOR DAY	(0.34)	(1.32)
CHOICE/SELECT SPREAD:	14.74	
TOTAL LOAD COUNT	148	
5 DAY SIMPLE AVERAGE:	228.96	214.60

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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 03, 2020	CHOICE	SELECT
Primal Rib	375.90	338.37
Primal Chuck	178.46	176.97
Primal Round	178.59	179.75
Primal Loin	326.41	283.63
Primal Brisket	169.62	149.33
Primal Short Plate	141.54	141.54
Primal Flank	114.22	108.85



FINAL SEPTEMBER 02, 2020	CHOICE	SELECT
Primal Rib	371.11	337.97
Primal Chuck	178.60	178.45
Primal Round	181.48	181.88
Primal Loin	327.02	285.89
Primal Brisket	169.32	147.60
Primal Short Plate	142.28	142.28
Primal Flank	115.16	108.97

LOAD COUNT AND CUTOUT VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
09/02	53	19	26	16	114	227.58	213.82
09/01	61	20	26	17	124	228.34	214.75
08/31	39	10	11	14	73	227.95	215.32
08/28	73	12	20	10	114	229.40	214.86
08/27	46	12	39	13	110	231.54	214.26

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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	89.98 loads	3,599,236 pounds
Select Cuts	25.36 loads	1,014,332 pounds
Trimming	9.42 loads	376,890 pounds
Ground Beef	23.08 loads	923,332 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)

BEEF AND PORK EXPORT HIGHLIGHTS WEEK ENDING AUGUST 27, 2020 AT BOTTOM OF REPORT

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USDA POSTED CATTLE PRICES ON 9/03/2020

IA/MN –CASH 105.00 DRESSED 162.00 - 163.00
NE - CASH – 102.00 DRESSED : 162.00
KS – CASH – 102.00 - 103.00 DRESSED : 162.00 WITH 36 HEAD 167.00



TX/OK/NM – 102.00 - 103.00

CO – CASH **Information not available due to confidentiality**

National Daily Direct Cattle SEPTEMBER 03, 2020

(5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1449	\$103.42	26,158
Live Heifer:	1296	\$103.38	10,313
Dressed Steer:	949	\$163.51	15,868
Dressed Heifer:	812	\$163.21	4,685

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Cattle futures falling on technical trading more than negative fundamentals. Boxed beef is off last week's high and now spec traders control trading in a non-spot month, par for the course.

Packers are pushing cattle through the plant with big profits. This week packers using their own cattle and September contract cattle but next week packers will need cattle for the last two weeks of Septembers kill. Trade will assume because Monday plants are dark that packers will use one less day of kill to buy cattle lower but look for big Saturday kills especially September 12th through end of the month.

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Wednesday the Fed Cattle Exchange had 436 head for the 10:00AM sale. 365 sold at \$103.00. Light weight heifers from Texas. They were a bargain.

Taiwan is dropping age restrictions on cattle and allowing ractopamine in pork. Both are positive to US meat and could allow more competition with Brazil's exports to Taiwan.
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As of September 1, dressed weights were 885.3 compared to previous week at 882.6 up 2.7 from week ago. Grading percent was 82.9% compared to previous week at 83.0%.



Feeder Cattle

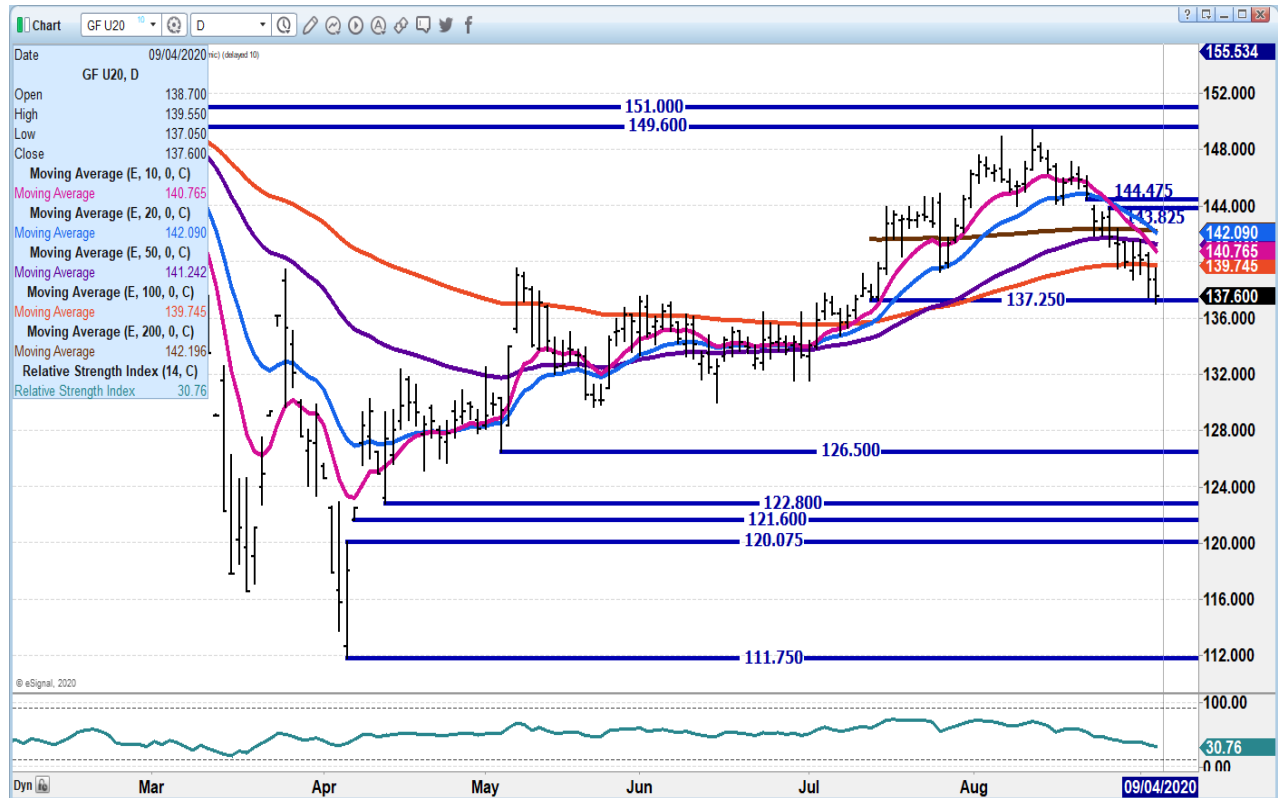
THE CME FEEDER INDEX ON 09/02/2020 IS 139.68 DOWN 67 FROM PREVIOUS DAY.

SEPTEMBER 2020 FEEDER CATTLE SETTLEMENT ON SEPTEMBER 03, 2020 WAS \$137.60

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THE PLACEMENTS AT 111% ABOVE LAST YEAR GAVE BUYERS AN OPPORTUNITY TO BUY CATTLE CHEAPER LAST WEEK. HOWEVER, FEEDLOTS ARE MOVING CATTLE AS SOON AS THEY ARE READY AND NEED TO REPLACE THEM. THERE IS GOING TO BE MORE CORN IN IOWA CHOPPED OR BAILED THIS YEAR AND IF FEEDLOTS DIDN'T BUY, CONTRACT OR HEDGE FEED NEEDS WHEN CORN WAS PRICED BELOW \$3.00/BUSHEL I WOULD BE SURPRISED.

SEPTEMBER 2020 FEEDER CATTLE – SUPPORT 137.25 RESISTANCE AT 142.10





**NOVEMBER 2020 FEEDER CATTLE - SUPPORT AT 137.45 WITH SCO BELOW 134.85
RESISTANCE AT 143.19 TO 144.97**



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

SEPTEMBER 03, 2020	480,000
WEEK AGO	472,000
YEAR AGO	466,000
WEEK TO DATE (EST)	1,905,000
SAME PERIOD LAST WEEK (EST)	1,907,000
SAME PERIOD LAST YEAR (ACT)	1,431,000

****REVISED WEDNESDAY HOG SLAUGHTER...474,000*** PREVIOUS ESTIMATE WAS 480,000**



CME CASH HOG INDEX 09/01/2020 AT 57.51 UP 71 CENTS FROM PREVIOUS DAY.

CME CASH PORK CUTOUT INDEX 09/02/2020 AT 73.05 UP 33 CENTS FROM PREVIOUS DAY.

CME CASH FRESH BACON INDEX ON 08/28/2020 WAS 141.51 COMPARED TO 08/21/2020 WAS 137.95

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Pork cutout bouncing from one day to the next and ending higher Thursday with strong gains in Loins, Hams and Bellies. Picnics tumbled while butts and picnics fractionally lower.

U.S. Dollar is cheap and good incentive for strong exports. The Mid-Autumn Festival in China begins October 1st and is the second biggest holiday in China next to the Chinese New Year. Although China is not 100% open, this year the Mid-Autumn Festival is expected to be large because it is the first holiday where people can travel and traveling for “reunions” and thanksgiving is what it is all about. Reunions are the time there is a dinner for immediate and extended families. Crab, pork and duck are often served along with cakes representing the full moon. Last year during the New Year celebration traveling was not allowed. This year the Mid-Autumn Festival is expected to see heavy travel and big family dinners. Recently, China has been moving pork, beef and lamb from storage. Recent big exports could be re-stocking coolers

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Very strong exports last week with net sales of 53,600 MT. Surprise big buy from China and as usual Mexico a strong and consistently good buyer. Pork is a cheap protein and with cheap US Dollar it has been a bargain buy for exporters.

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Packers are making good money. The question is will they share profits. For now the answer is likely yes. They are pulling hogs to kill with lowering weights and want to fill shackles. Dollar is cheap encouraging exports. Taiwan dropping Ractopamine on US pork is positive.

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Need to monitor weights. Falling weights show packers want hogs.

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SEPTEMBER 03, 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 03, 2020

LOADS OF PORK CUTS: 299.23

LOADS TRIM/PROCESSED PORK: 24.26

FINAL 9/03/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/03/2020	323.49	80.19	69.28	81.12	47.37	118.23	80.16	126.71
CHANGE :		6.68	5.12	-0.42	-0.06	-11.48	18.82	7.49
Five Day Average --		74.45	68.90	82.65	47.88	126.82	60.33	118.91

NOON 9/03/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/03/2020	191.09	80.95	70.78	80.87	46.01	118.27	82.23	127.01
CHANGE :		7.44	6.62	-0.67	-1.42	-11.44	20.89	7.79
Five Day Average --		74.60	69.20	82.60	47.61	126.83	60.75	118.97

FINAL 9/02/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/02/2020	357.21	73.51	64.16	81.54	47.43	129.71	61.34	119.22
CHANGE :		-1.03	-10.36	-1.89	1.51	-0.53	4.89	2.38
Five Day Average --		72.97	69.59	83.09	46.83	128.29	55.62	115.66

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NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

Slaughter Data for SEPTEMBER 2, 2020

Average carcass weight - 275.24

Average live weight - 206.51

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

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DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM September 3, 2020

NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES

Carcass Base Price: \$38.00 - \$50.00

Weighted Average: \$46.31,

Change from Prior Day: 2.09 higher

HOGS SOLD: 9,333

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)

PRICE RANGE: \$38.42 - \$69.84

Weighted Average \$56.92 PREVIOUS DAY \$56.26

HOGS SOLD: 154,170



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

October 2020/December Lean Hogs. October premium to December is friendly



DEC 2020 – FEBRUARY 2021 LEAN HOG SPREAD - Look for spread to narrow to 3.00



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OCTOBER 2020 LEAN HOGS - Moved to 200 day average resistance. Next resistance at 60.15. Support at 55.47 Volume fairly heavy at 33,935



DEC 2020 LEAN HOGS – 200 day average resistance at 58.50 Support at 56.02



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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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BEEF AND PORK EXPORT HIGHLIGHTS WEEK ENDING AUGUST 27, 2020

Beef: Net sales of 11,400 MT reported for 2020 were down 4 percent from the previous week and 19 percent from the prior 4-week average. Increases were primarily for Japan (2,600 MT, including decreases of 500 MT), South Korea (2,000 MT, including decreases of 400 MT), China (1,800 MT, including decreases of 100 MT), Taiwan (1,500 MT, including decreases of 100 MT), and Indonesia (1,000 MT). For 2021, net sales of 400 MT were primarily for Canada. Exports of 17,400 MT were down 4 percent from the previous week and 2 percent from the prior 4-week average. The destinations were primarily to South Korea (5,600 MT), Japan (5,100 MT), Taiwan (1,600 MT), China (1,100 MT), and Hong Kong (1,000 MT).

Pork: Net sales of 53,600 MT reported for 2020 were up 36 percent from the previous week and up noticeably from the prior 4-week average. Increases primarily for China (28,700 MT, including decreases of 900 MT), Mexico (14,700 MT, including decreases of 1,500 MT), Japan (2,900 MT, including decreases of 300 MT), Canada (2,000 MT, including decreases of 500 MT), and Chile (1,400 MT), were offset by reductions primarily for Macedonia (200 MT). For 2021, total net sales of 300 MT were for Australia. Exports of 32,500 MT were unchanged from the previous week, but down 3 percent from the prior 4-week average. The destinations were primarily to China (9,700 MT), Mexico (9,400 MT), Japan (4,200 MT), Canada (3,000 MT), and South Korea (1,700 MT).

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