



## Morning September 11, 2020 Livestock Report

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### SEPTEMBER 2020 LIVESTOCK REPORTS

**COLD STORAGE REPORT – TUESDAY, SEPTEMBER 22, 2020 2:00PM US CENTRAL TIME**

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

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

## CATTLE

### USDA FEDERAL SLAUGHTER

|                             |         |
|-----------------------------|---------|
| SEPTEMBER 10, 2020          | 119,000 |
| WEEK AGO,                   | 118,000 |
| YEAR AGO,                   | 115,000 |
| WEEK TO DATE (EST)          | 360,000 |
| SAME PERIOD LAST WEEK (EST) | 474,000 |
| SAME PERIOD LAST YEAR (ACT) | 466,000 |

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|                            | CHOICE | SELECT |
|----------------------------|--------|--------|
| BOXED BEEF FINAL 9/10/2020 | 220.83 | 207.32 |
| CHANGE FROM PRIOR DAY      | (2.12) | (0.19) |
| CHOICE/SELECT SPREAD:      |        | 13.51  |
| TOTAL LOAD COUNT           |        | 198    |
| 5 DAY SIMPLE AVERAGE:      | 225.69 | 210.32 |

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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 10, 2020 | CHOICE | SELECT |
|--------------------------|--------|--------|
| Primal Rib               | 369.96 | 336.31 |
| Primal Chuck             | 172.99 | 169.92 |
| Primal Round             | 173.63 | 174.60 |
| Primal Loin              | 312.89 | 275.70 |
| Primal Brisket           | 171.09 | 152.16 |
| Primal Short Plate       | 139.38 | 139.38 |
| Primal Flank             | 112.79 | 108.80 |



| FINAL SEPTEMBER 09, 2020 | CHOICE | SELECT |
|--------------------------|--------|--------|
| Primal Rib               | 373.32 | 337.12 |
| Primal Chuck             | 172.60 | 169.06 |
| Primal Round             | 173.88 | 174.55 |
| Primal Loin              | 320.19 | 276.68 |
| Primal Brisket           | 171.19 | 152.00 |
| Primal Short Plate       | 141.29 | 141.29 |
| Primal Flank             | 115.96 | 109.48 |

LOAD COUNT AND CUTOUT VALUE SUMMARY FOR PRIOR 5 DAYS

| Date  | Choice | Select | Trim | Grinds | Total | CHOICE  | SELECT  |
|-------|--------|--------|------|--------|-------|---------|---------|
|       |        |        |      |        |       | 600-900 | 600-900 |
| 09/09 | 114    | 32     | 25   | 14     | 186   | 222.95  | 207.51  |
| 09/08 | 73     | 28     | 5    | 24     | 130   | 224.82  | 208.46  |
| 09/04 | 62     | 9      | 12   | 25     | 108   | 225.85  | 209.30  |
| 09/03 | 90     | 25     | 9    | 23     | 148   | 227.24  | 212.50  |
| 09/02 | 53     | 19     | 26   | 16     | 114   | 227.58  | 213.82  |
| 09/01 | 61     | 20     | 26   | 17     | 124   | 228.34  | 214.75  |

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 | 114.15 loads | 4,566,180 pounds |
| Select Cuts | 36.38 loads  | 1,455,206 pounds |
| Trimmings   | 17.89 loads  | 715,685 pounds   |
| Ground Beef | 29.14 loads  | 1,165,561 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

USDA POSTED CATTLE PRICES ON 9/10/2020

IA/MN –CASH 100.00 - 103.00 DRESSED 159.00 - 161.00



NE - CASH – 101.00 : DRESSED 160.00 - 161.00  
 KS – CASH – 101.00 : NO DRESSED SALES  
 TX/OK/NM – 101.00  
 CO – \*\*Information not available due to confidentiality\*\*

National Daily Direct Cattle SEPTEMBER 10, 2020  
 (5 day accumulated weighted avg)

|                 | Weight | Price    | Head   |
|-----------------|--------|----------|--------|
| Live Steer:     | 1486   | \$101.81 | 26,915 |
| Live Heifer:    | 1333   | \$101.39 | 18,286 |
| Dressed Steer:  | 965    | \$161.00 | 18,937 |
| Dressed Heifer: | 869    | \$160.81 | 5,458  |

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 Thursday packers paid \$1.00 and on a few loads in the Midwest \$2.00 more than earlier week prices. Early in the week prices started out at \$101.00 across all regions, but Thursday feedlots knowing packers are short bought for next week held out for more. Packers need to buy more cattle Friday or will have to kill fewer cattle next week. Packers will need to decide if lowering the kill and buying fewer cattle is the choice versus paying up when they have big profit margins.

Beef prices lower on fairly large sales of 198 loads. Seasonally beef retail sales slip in September but this time movement is fairly strong but buyers taking it on lower prices.

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 Global trend for pricey beef

As I have pointed out over the last month, beef is selling from high priced roasts and steaks to ground, processed to canned products. Beef is purchased for the consumer that remained working to the consumer that buys the least costly product hoping to fill protein needs.

A recent report showed Prime beef is now at its highest prices for years in Europe and prime beef cattle producers from the UK are benefiting. Like the U.S., the European restaurant business has plummeted. However, with more people working and staying at home, there are more people cooking at home the foods that they would buy at restaurants. Instead of spending money on travel, they spend more on expensive cuts of beef.

Around the world people are buying more cookbooks and are enrolling in online cooking classes. The “stay at home chefs” are buying exotic seasonings and spices that were never in their pantries.



The restaurant industry was having a downturn before anyone heard of Coronavirus or COVID 19. A term in the industry referring to the number of patrons that fill chairs per the number of times per night, “asses in the seats” were already going down as more people were using delivery services. Restaurants had problems stemming from waiters not receiving the number of tips per night to cocktails and wine not sold in the restaurants. The pandemic for restaurants having problems pre-pandemic finally locked the doors because of it.

Fortunately, there is a resurgence for expensive beef and consumers are buying meats from the local grocery store to the growing number of online high priced Internet stores often selling from specialty farms. More than likely it is a trend that will continue to grow.

The world of beef is made up of haves and have nots. People with money and spending it and people spending as little as possible.

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As of September 9<sup>TH</sup>, dressed weights were 888.9 compared to previous week at 885.3 up 3.6 from week ago and 27 pounds over a year ago. Grading percent was 82.6% compared to previous week at 82.9%.

**DECEMBER 2020 LIVE CATTLE/DECEMBER 2020 LEAN HOG SPREAD - BIG CHANGE STARTED WHEN AUGUST LEAN HOGS WENT OFF THE BOARD.**





**DECEMBER 2020/DFEBRUARY 2020 LIVE CATTLE SPREAD - SPREAD IS WIDE.**



**OCTOBER 2020 LIVE CATTLE – Continue to trade side ways, Volume Thursday was 32847 active – Resistance at 106.37 Support at 103.65**



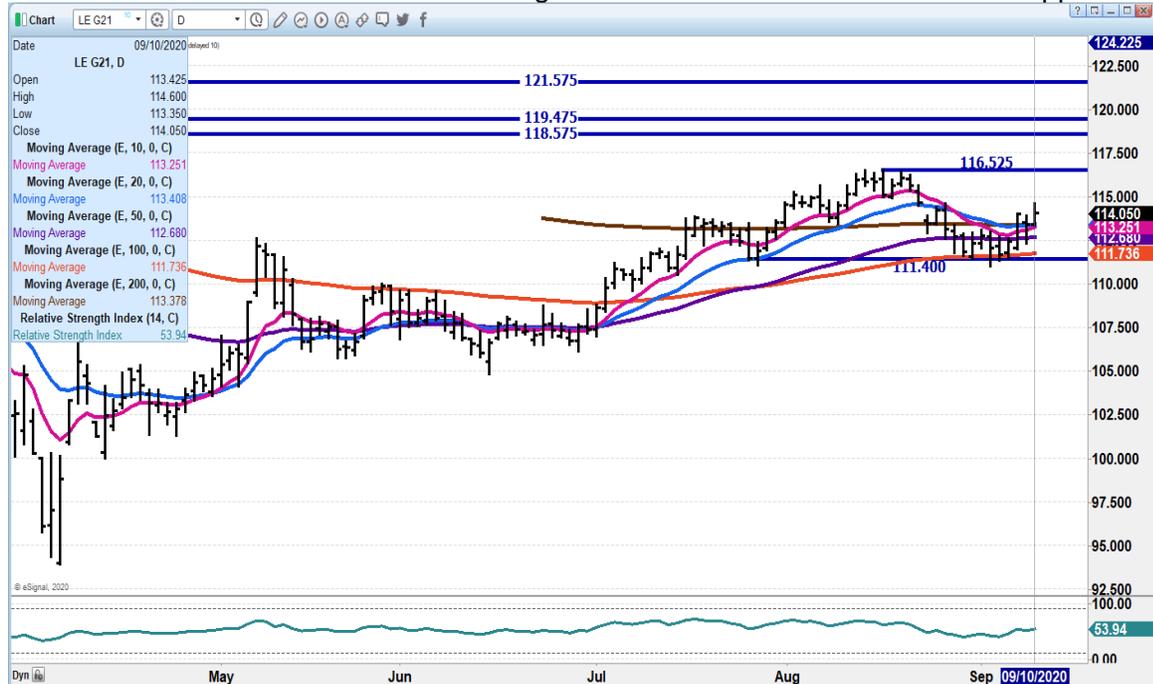
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**DECEMBER 2020 LIVE CATTLE – Resistance at 110.37 Support at 107.25 - 28,237 volume**



**FEBRUARY 2021 LIVE CATTLE – Strong close – Next resistance at 116.55 Support at 111.40**



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## Feeder Cattle

THE CME FEEDER INDEX ON 09/09/2020 WAS 141.10 UP 12 CENTS FROM PREVIOUS DAY.

SEPTEMBER 2020 FEEDER CATTLE SETTLEMENT ON SEPTEMBER 10, 2020 WAS \$139.17

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### NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 09/04/2020

| RECEIPTS:  | Auctions | Direct | Video/Internet | Total   |
|------------|----------|--------|----------------|---------|
| THIS WEEK: | 160,800  | 27,900 | 5,200          | 193,900 |
| LAST WEEK: | 156,200  | 38,700 | 280,300        | 475,200 |
| YEAR AGO:  | 106,800  | 58,100 | 14,700         | 179,600 |

COMPARED TO LAST WEEK, STEERS AND HEIFERS SOLD 1.00 TO 5.00 LOWER. THE CME CATTLE AGAIN THIS WEEK, WAS WEAKER AND HAS BEEN PULLING THE CASH PRICES FOR FEEDERS AND FED CATTLE LOWER, WITH THE MOST DRAWBACK ON THE FRONT MONTH CONTRACTS. AROUND THE LABOR DAY HOLIDAY, MANY AUCTIONS PROCEED TO HAVE CUSTOMER APPRECIATION SALES.

[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/SJ\\_LS850.TXT](https://www.ams.usda.gov/mnreports/sj_ls850.txt)

### SEPT 2020 FEEDER CATTLE – MOVED TO RESISTANCE AT 140.37 SUPPORT AT 137.25





**NOV 2020 FEEDER CATTLE - STRONG RESISTANCE AT 142.25 SUPPORT AT 137.90**



**LEAN HOGS**

**USDA ESTIMATED FEDERAL HOG SLAUGHTER – TUESDAY**

|                             |           |
|-----------------------------|-----------|
| SEPTEMBER 10, 2020          | 485,000   |
| WEEK AGO                    | 480,000   |
| YEAR AGO                    | 487,000   |
| WEEK TO DATE (EST)          | 1,440,000 |
| SAME PERIOD LAST WEEK (EST) | 1,905,000 |
| SAME PERIOD LAST YEAR (ACT) | 1,956,000 |

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CME CASH HOG INDEX 09/08/2020 AT 61.92 UP 1.39 FROM PREVIOUS DAY.

CME CASH PORK CUTOUT INDEX 09/09/2020 AT 79.03 UP 1.26 FROM PREVIOUS DAY.  
UP \$5.98 IN 3 DAYS

CME CASH FRESH BACON INDEX ON 09/04/2020 WAS 151.77 COMPARED TO 08/28/2020 WAS 141.51



## GERMAN PIG PRICES SLUMP AFTER SWINE FEVER FOUND IN WILD BOAR

<https://www.agriculture.com/markets/newswire/german-pig-prices-slump-after-swine-fever-found-in-wild-boar>

9/11/2020

HAMBURG, Sept 11 (Reuters) - German pig prices fell by 13.6% to 1.27 euros a kg on Friday after a case of African swine fever (ASF) was found in a wild boar in the country, the association of German animal farmers VEZG said.

Pig prices had been about 1.47 a kg slaughter weight before the ASF case was confirmed on Thursday.

The association confirmed previous estimates from traders of price falls on fears China might stop pork imports from Germany following the ASF case. (Reporting by Michael Hogan; Editing by David Clarke)

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## GERMAN FARMERS URGE CHINA TO IMPOSE LIMITED IMPORT CURBS AFTER SWINE FEVER FIND

<https://www.agriculture.com/markets/newswire/update-1-german-farmers-urge-china-to-impose-limited-import-curbs-after-swine-fever>

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October, December 2020 and February 2021 Lean hogs were limit up Thursday on fairly active trading. Trading never stopped throughout the day, but individual contracts were limit.

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The hog futures market is strong because speculators have been actively bull spreading hogs and buying hogs and selling cattle.

The CME Index is up \$5.96 over the past three days and direct hogs Wednesday were up \$3.50 and Thursday another \$2.46 higher. All good reasons to have higher hog markets Thursday

Hogs are moving up because packers are making big money and so are the pork buyers that contracted pork during July and August when prices were considerably lower and now selling at higher prices. Pork was dirt cheap. The US Dollar has made it a bargain for exporters.



At the same time, it is time to be wary of the rally and particularly the spreads. On September 10th will the pork market and/or lean hog market be at current prices when October is spot month? Futures now are speculation in September. The CME Lean Hog Index is at \$61.92 and October hogs on Thursday settled at \$64.37.

Traders are expecting another strong export sales on Friday.

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### SEPTEMBER 10, 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 10, 2020

LOADS OF PORK CUTS: 316.54

LOADS TRIM/PROCESSED PORK: 57.12

#### FINAL 9/10/2020

| Date                | Loads  | Carcass | Loin  | Butt  | Pic   | Rib    | Ham   | Belly  |
|---------------------|--------|---------|-------|-------|-------|--------|-------|--------|
| 09/10/2020          | 373.66 | 80.86   | 69.78 | 76.64 | 55.29 | 122.35 | 75.77 | 132.12 |
| CHANGE :            |        | 0.73    | 2.04  | -2.77 | 0.47  | -1.44  | 2.50  | 1.15   |
| Five Day Average -- |        | 80.53   | 69.65 | 79.30 | 51.20 | 122.86 | 78.80 | 127.15 |

#### NOON 9/10/2020

| Date                | Loads  | Carcass | Loin  | Butt  | Pic   | Rib    | Ham   | Belly  |
|---------------------|--------|---------|-------|-------|-------|--------|-------|--------|
| 09/10/2020          | 174.86 | 81.30   | 71.12 | 76.12 | 55.14 | 120.68 | 77.66 | 133.01 |
| CHANGE :            |        | 1.17    | 3.38  | -3.29 | 0.32  | -3.11  | 4.39  | 2.04   |
| Five Day Average -- |        | 80.62   | 69.92 | 79.19 | 51.17 | 122.53 | 79.17 | 127.33 |

#### FINAL 9/04/2020

| Date       | Loads  | Carcass | Loin  | Butt  | Pic   | Rib    | Ham   | Belly  |
|------------|--------|---------|-------|-------|-------|--------|-------|--------|
| 09/04/2020 | 316.46 | 80.56   | 68.37 | 80.45 | 49.16 | 125.08 | 85.85 | 119.11 |

(POSTING LAST WEEK'S SETTLEMENT PRICES FOR REFERENCE DUE TO WIDE FLUCTUATIONS FROM MORNING SALES TO AFTERNOON SALES AS WELL AS DAY TO DAY PRICE VOLATILITY)

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#### NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE SLAUGHTER DATA FOR SEPTEMBER 9, 2020

Average carcass weight - 277.42

Average live weight - 208.17

[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 10, 2020  
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**

Carcass Base Price: \$42.00 - \$57.00  
Weighted Average: \$51.33  
Change from Prior Day: 2.46 higher  
HOGS SOLD: 10,452

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

PRICE RANGE: \$38.42 - \$75.70  
Weighted Average \$61.86 PREVIOUS DAY \$60.62  
HOGS SOLD: 147,733

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

**OCTOBER 2020/DECEMBER LEAN HOGS HOG SPREAD – SIDEWAYS ON SETTLE BUT SPREADING ON THURSDAY**





**DECEMBER 2020 – FEBRUARY 2021 LEAN HOG SPREAD - SIDEWAYS ON SETTLE BUT SPREADING ON THURSDAY**



**OCTOBER 2020 LEAN HOGS - Gap higher next resistance at 67.05 Support at 61.72**



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**DEC 2020 LEAN HOGS – Will it fill March gap at resistance at 63.32? Support at 59.97**



CHARTS FROM ESIGNAL INTERACTIVE, INC.

**Beef:** Net sales of 15,500 MT reported for 2020 were up 37 percent from the previous week and 14 percent from the prior 4-week average. Increases were primarily for South Korea (5,600 MT, including decreases of 400 MT), Japan (4,300 MT, including decreases of 400 MT), Mexico (1,300 MT), China (1,200 MT), and Hong Kong (700 MT, including decreases of 200 MT). For 2021, total net sales of 100 MT were for Japan. Exports of 16,100 MT were down 8 percent from the previous week and 9 percent from the prior 4-week average. The destinations were primarily to South Korea (4,900 MT), Japan (4,100 MT), Taiwan (1,500 MT), Hong Kong (1,300 MT), and China (1,300 MT).

**Pork:** Net sales of 30,200 MT reported for 2020 were down 44 percent from the previous week and 3 percent from the prior 4-week average. Increases were primarily for Mexico (8,900 MT, including decreases of 300 MT), China (8,300 MT, including decreases of 400 MT), Japan (5,600 MT, including decreases of 200 MT), Chile (2,000 MT), and Canada (2,000 MT, including decreases of 400 MT). For 2021, total net sales of 100 MT were for Australia. Exports of 33,600 MT were up 3 percent from the



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previous week and 2 percent from the prior 4-week average. The destinations were primarily to Mexico (11,100 MT), China (8,500 MT), Japan (4,700 MT), Canada (2,300 MT), and South Korea (2,100 MT).

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