



## Morning September 29, 2020 Livestock Report

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### CATTLE

<b>USDA FEDERAL SLAUGHTER</b>	
<b>SEPTEMBER 28, 2020</b>	<b>118,000</b>
<b>WEEK AGO</b>	<b>120,000</b>
<b>YEAR AGO</b>	<b>116,000</b>

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	<b>CHOICE</b>	<b>SELECT</b>
<b>BOXED BEEF FINAL</b>	<b>217.72</b>	<b>206.42</b>
<b>CHANGE FROM PRIOR DAY</b>	<b>(1.62)</b>	<b>(0.56)</b>
<b>CHOICE/SELECT SPREAD:</b>	<b>11.30</b>	
<b>TOTAL LOAD COUNT</b>	<b>148</b>	
<b>5 DAY SIMPLE AVERAGE:</b>	<b>216.87</b>	<b>206.89</b>

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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 28, 2020

<b>Primal Rib</b>	<b>373.23</b>	<b>344.70</b>
<b>Primal Chuck</b>	<b>176.83</b>	<b>172.53</b>
<b>Primal Round</b>	<b>170.07</b>	<b>170.02</b>
<b>Primal Loin</b>	<b>299.94</b>	<b>269.56</b>
<b>Primal Brisket</b>	<b>158.86</b>	<b>153.50</b>
<b>Primal Short Plate</b>	<b>138.90</b>	<b>138.90</b>
<b>Primal Flank</b>	<b>99.61</b>	<b>98.71</b>

#### FINAL SEPTEMBER 25, 2020

<b>Primal Rib</b>	<b>374.19</b>	<b>344.51</b>
<b>Primal Chuck</b>	<b>179.63</b>	<b>172.15</b>
<b>Primal Round</b>	<b>172.13</b>	<b>170.49</b>
<b>Primal Loin</b>	<b>300.61</b>	<b>271.84</b>
<b>Primal Brisket</b>	<b>159.02</b>	<b>154.10</b>
<b>Primal Short Plate</b>	<b>139.44</b>	<b>139.44</b>
<b>Primal Flank</b>	<b>100.64</b>	<b>99.73</b>



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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
09/25	83	28	12	15	138	219.34	206.98
09/24	72	21	5	24	123	217.48	207.74
09/23	92	30	11	35	169	215.87	207.60
09/22	108	29	9	17	162	215.44	206.30
09/21	70	17	7	12	106	216.22	205.82

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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	85.38 loads	3,415,182 pounds
Select Cuts	17.40 loads	695,909 pounds
Trimming	10.58 loads	423,236 pounds
Ground Beef	34.32 loads	1,372,757 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)

USDA POSTED CATTLE PRICES ON 9/25/2020

IA/MN –CASH 106.00 ON 33 HEAD DRESSED -  
NE - CASH – 105.00 DRESSED 165.00  
KS – CASH – NO SALES DRESSED NO SALES  
TX/OK/NM – NO SALES  
CO – \*\*Information not available due to confidentiality\*\*

National Daily Direct Cattle SEPTEMBER 25, 2020  
(5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1469	\$105.07	45,888
Live Heifer:	1312	\$104.87	22,103
Dressed Steer:	956	\$164.86	19,910
Dressed Heifer:	832	\$164.71	7,954

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Cattle futures gapped lower Monday morning with traders believing Cattle on Feed report was bearish due to high placements. However, it was no secret feeder cattle from mid-summer through August were being moved sooner than normal. Pastures were lacking any green vegetation and several areas in the Southwest and West were hot to burning. It is very likely inventories for October and November will be lighter than normal and inventories will be down.

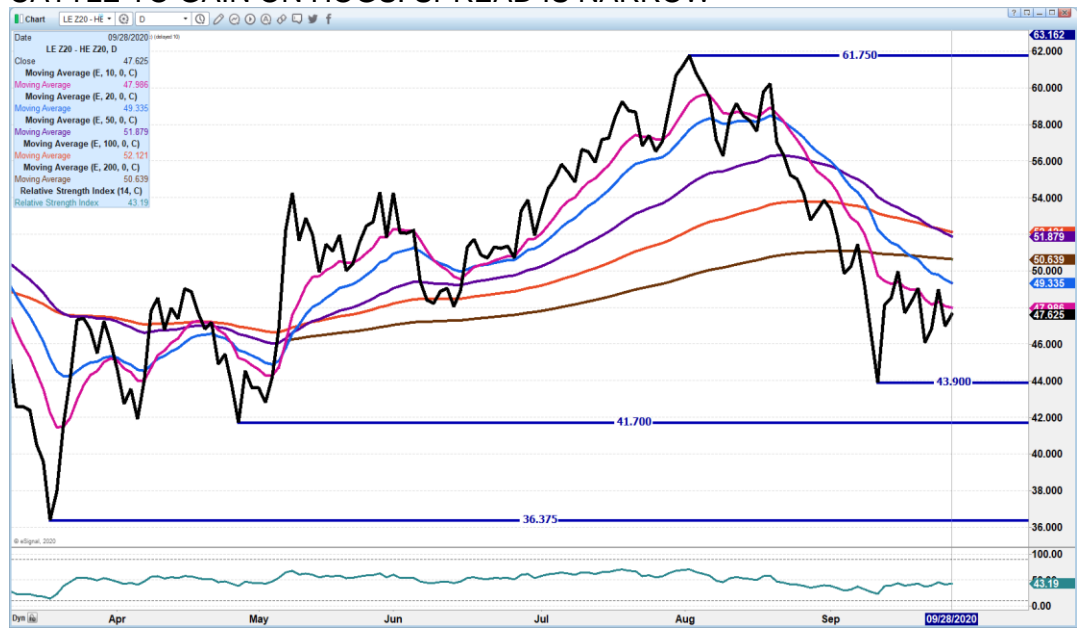
Volume was light for a day after a report. September started out with wide bear spreads. If beef demand moves up, look for bear spreads move to narrow or possibly move to bull spreads.

Last week packers tried to buy cattle two to three weeks out but showlist feedlots weren't in favor of pre-pricing cattle into October. Feedlot inventories are current, and feedlots, unless beef falls out of bed, will have something to say about the offer versus the bid this week. Packers are making money and want to kill cattle.

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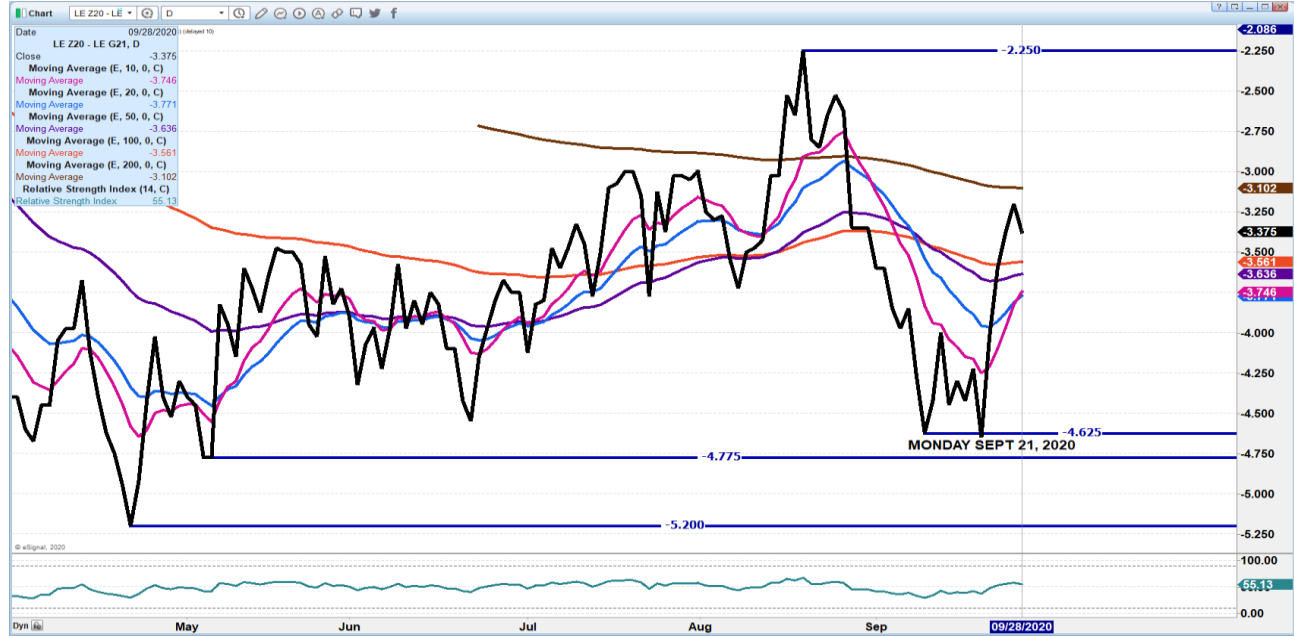
As of September 22<sup>nd</sup>, dressed steer and heifer weights were 887.0 compared to previous week at 896.6 DOWN 9.6 pounds from week ago and 17 pounds over a year ago but 12 from previous week at 29 over.. Grading percent was 82.2% compared to previous week at 82.6%.

**DECEMBER 2020 LIVE CATTLE/DECEMBER 2020 LEAN HOG SPREAD - LOOK FOR CATTLE TO GAIN ON HOGS. SPREAD IS NARROW**

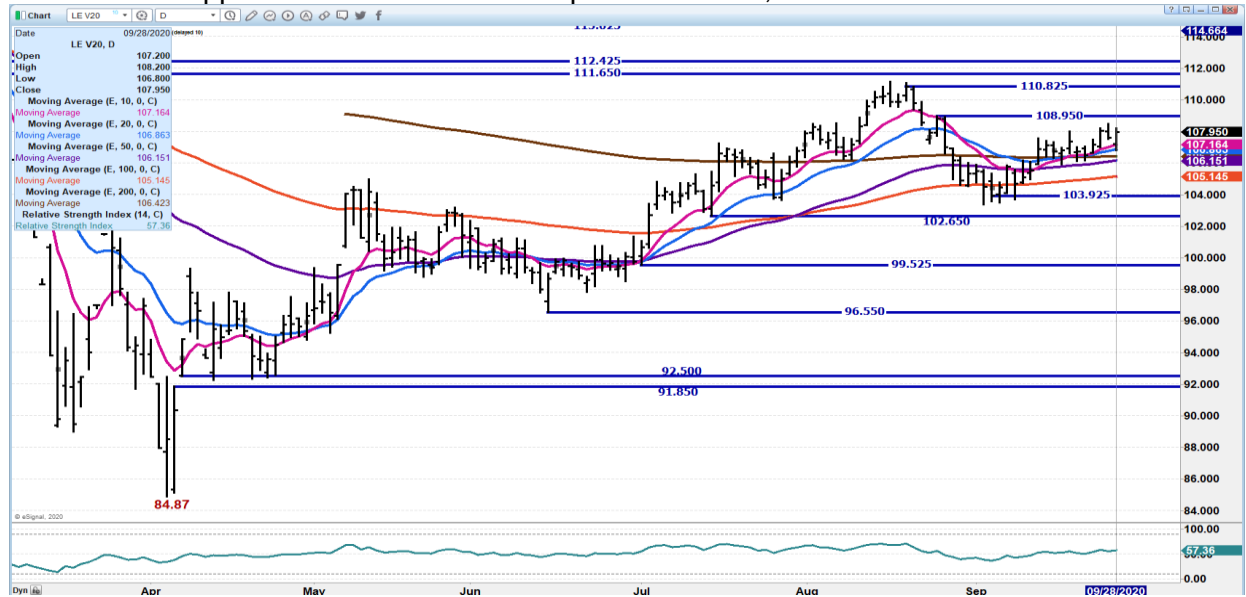




**DECEMBER 2020/FEBRUARY 2020 LIVE CATTLE SPREAD - SPREAD FAIRLY NORMAL NOW. COULD BOUNCE AROUND SIDWAYS.**



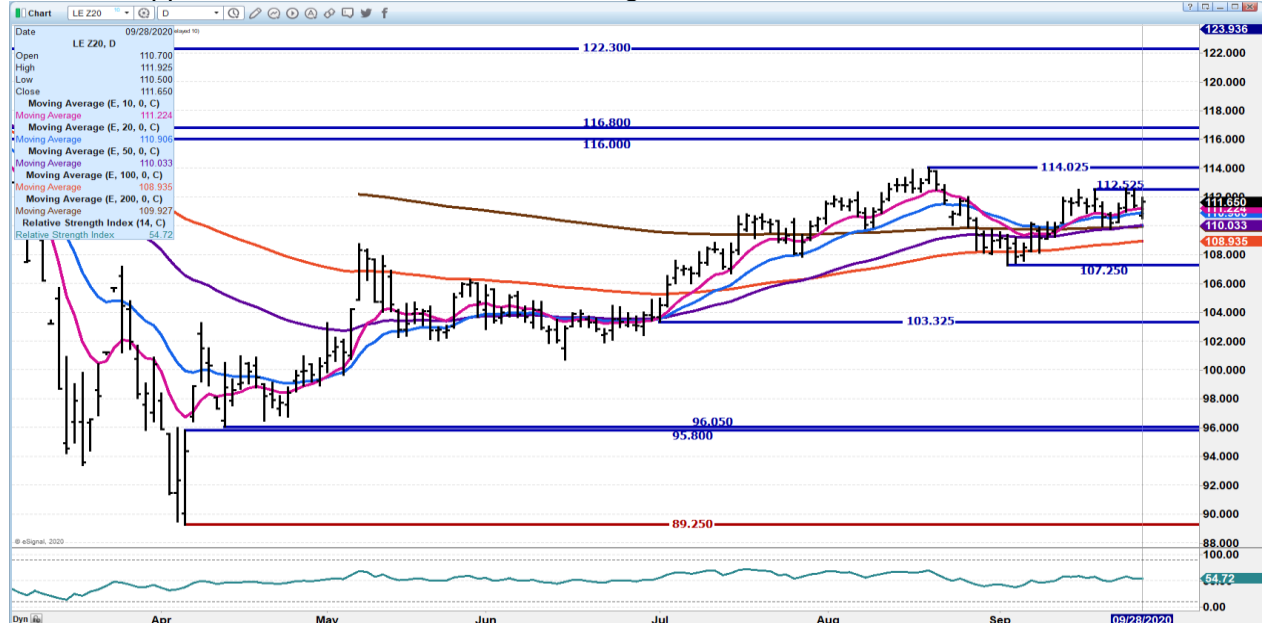
**OCTOBER 2020 LIVE CATTLE – Fell to support at Monday and closed higher. 108.95 next resistance. Support at 106.97 to 105.15 Open interest 27,802**



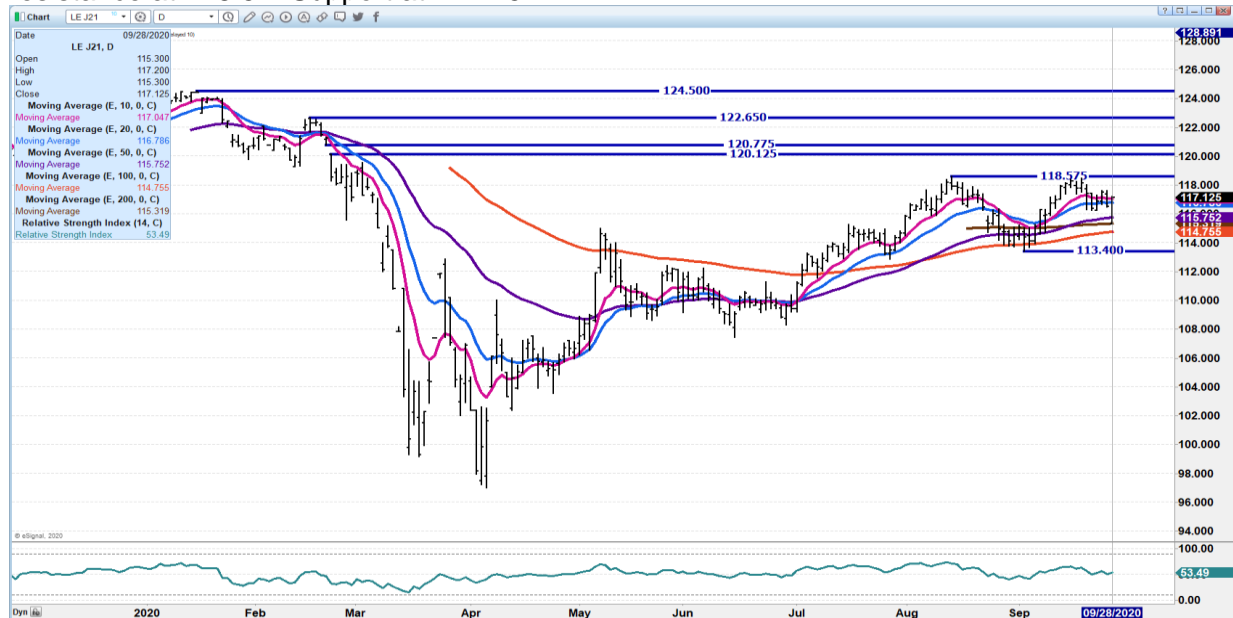




**DECEMBER 2020 LIVE CATTLE – Gapped lower and reversed. Next resistance at 112.52 to 114.05 Support at 110.30 to 108.95 Volume light at 18,692**



**APRIL 2021 LIVE CATTLE – Gapped down and closed above all moving averages. Next resistance at 118.57 Support at 114.75**





## Feeder Cattle

THE CME FEEDER INDEX ON 09/25/2020 WAS 142.61 UP 38 CENTS FROM PREVIOUS DAY - UPDATED ON MORNING REPORT

OCTOBER 2020 FEEDER CATTLE SETTLED ON SEPTEMBER 28, 2020 AT \$140.92

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FEEDER FUTURES FAIRLY PREDICATABLE ON MONDAY. THEY OPENED LOWER ON THE BIGGER THAN EXPECTED PLACEMENT NUMBERS FROM FRIDAY'S COF REPORT AND REVERSED TO CLOSE HIGHER. FEEDLOTS NEED CATTLE TO REFILL LOTS. ONE REASON CASH CATTLE WERE HIGHER LAST WEEK HAS TO DO WITH INVENTORIES AREN'T BURDENSOME. CATTLE WEIGHTS HAVE BEEN DROPPING WHICH SHOWS CATTLE ESPECIALLY IN THE MIDWEST ARE CURRENT.

WHEN CONTRACT FEEDERS ARE MOVED TO SLAUGHTER, THEY NEED TO BE REPLACED. REPLACEMENTS ARE NEEDED. IT IS VERY LIKELY MOVING INTO OCTOBER FEEDER SUPPLIES SHOW A TIGHTENING. A REASON FOR BIG PLACEMENTS HAS TO DO WITH FEEDERS BEING MOVED SOONER THAN NORMAL, LATE JULY AND IN AUGUST. NORMALLY THSE FEEDERS WOULD BE SOLD LATE SEPTEMBER BUT MOSTLY IN OCTOBER EXTREMELEY DRY AND PASTURES DEVOID OF GREEN SAW FEEDER CALVES BEING SOLD 2 TO THREE WEEKS AHEAD THIS YEAR.

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### NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 09/25/2020

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	195,500	29,700	42,300	267,500
LAST WEEK:	201,200	46,700	39,800	287,700
YEAR AGO:	208,000	73,900	24,800	306,700

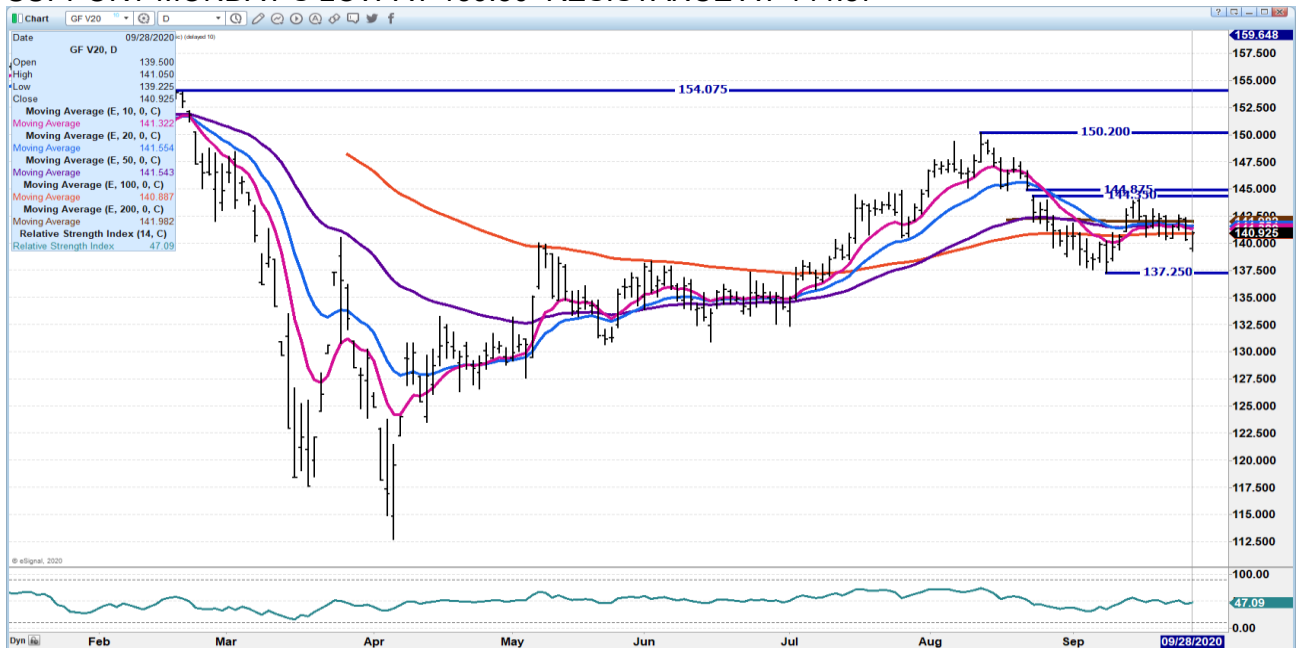
COMPARED TO LAST WEEK, STEERS AND HEIFERS SOLD STEADY TO 2.00 LOWER. WEAKNESS IN THE CME CATTLE COMPLEX WEIGHED HEAVILY ON THE MARKET THIS WEEK AHEAD OF FRIDAY'S CATTLE ON FEED REPORT. SUPPLY WAS MODERATE THIS WEEK AS YEARLINGS BECOME HARDER AND HARDER TO FIND AS WE GET CLOSER TO FALL ON THE CALENDAR.

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NOVEMBER 2020/JANUARY 2021 FEEDER CATTLE SPREAD. NOVEMBER OVER JANUARY IS FRIENDLY WILL BULL SPREADING

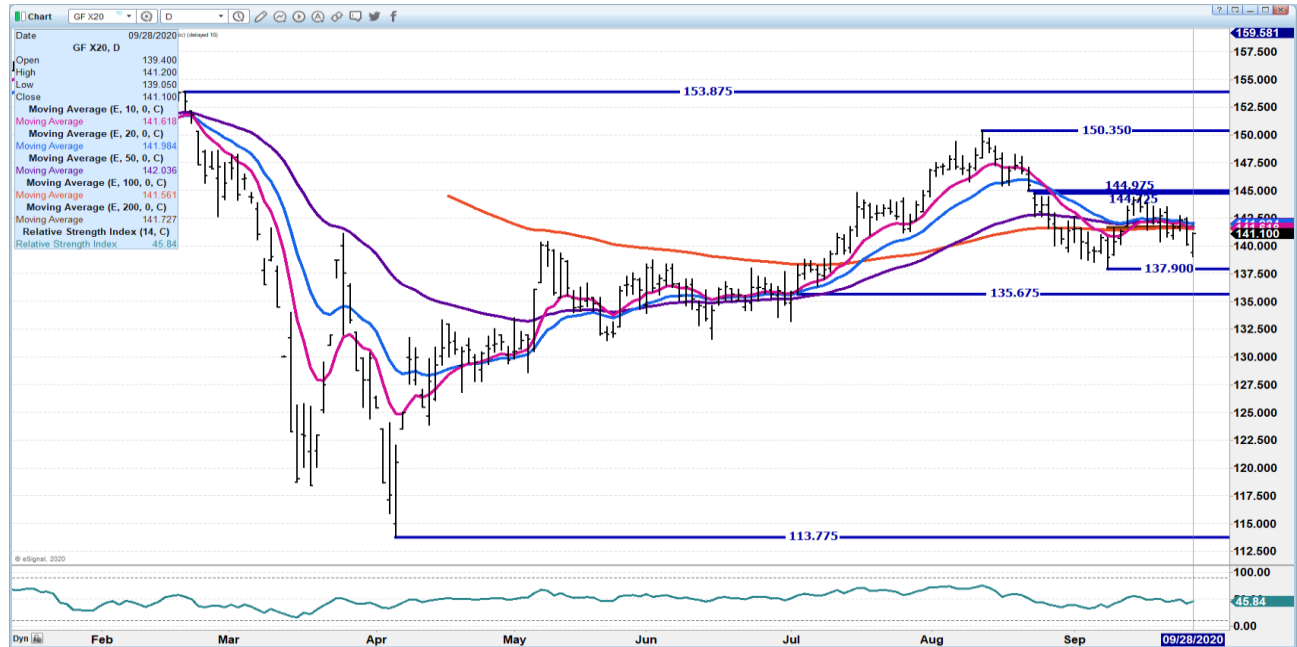


**OCTOBER 2020 FEEDER CATTLE – GAPPED DOWN HARD ON OPEN AND REVERSED. SUPPORT MONDAY’S LOW AT 139.50 RESISTANCE AT 144.87**





**NOV 2020 FEEDER CATTLE - RESISTANCE AT 142.30 TO 144.87 SUPPORT 137.90**



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**LEAN HOGS**

**USDA ESTIMATED FEDERAL HOG SLAUGHTER – TUESDAY**

SEPTEMBER 28, 2020      478,000  
WEEK AGO                      459,000  
YEAR AGO                      482,000

\*\*\*REVISED FRIDAY HOG SLAUGHTER..462,000\*\*\* PREVIOUS ESTIMATE 478,000  
\*\*\*REVISED SATURDAY HOG SLAUGHTER..220,000\*\*\* PREVIOUS ESTIMATE 230,000  
\*\*\*NEW SATURDAY WEEK TO DATE..2,601,000\*\*\* PREVIOUS ESTIMATE 2,627,000

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CME CASH HOG INDEX 09/24/2020 AT 73.53 DOWN 17 CENTS FROM PREVIOUS DAY -

CME CASH PORK CUTOUT INDEX 09/25/2020 AT 90.13 UP .87 FROM PREVIOUS DAY.





CME CASH FRESH BACON INDEX ON 09/25/2020 WAS 189.34 COMPARED TO 09/18/2020 WAS 175.11

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China targets pork self-sufficiency rate of 95% - cabinet document

<https://www.nasdaq.com/articles/china-targets-pork-self-sufficiency-rate-of-95-cabinet-document-2020-09-28>

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Trade was quiet Friday the day after the Hogs and Pigs report and Monday futures volume was even slower. Early estimate on December 2020 lean hogs was 13,261. Often when volume slows, it is likely a large volume day and often a reversal could take place. Algorithms could trigger it with the reversal of spreads, or something fundamentally occurs that is a surprise. It is something to watching. Since it is a couple days before the end of the month and going into a spot trading month, it might be enough of a trigger.

Pork cutout started out higher early Monday and like the low volume in the futures market, the load movement was light. Bellies up \$21.12 and hams up \$9.52 were drivers to the upside. Loins were down \$1.20.

Traders will be waiting until Thursday to see what exports are going to do. US Dollar is off the low of mid-September but is still cheap. Also, it would be rare if exporters aren't hedged currencies and contracted pork at much lower prices. Cash pork is being moved higher as hand to mouth buyers have to pay current price for available pork that wasn't contracted.

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**SEPTEMBER 28, 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 28, 2020**

LOADS OF PORK CUTS: 280.61  
LOADS TRIM/PROCESSED PORK: 30.18

FINAL 9/25/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/25/2020	310.79	93.39	79.06	87.14	64.30	136.88	90.55	153.61
CHANGE :		2.07	-0.95	0.35	1.13	1.76	5.51	3.45
Five Day Average --		90.87	77.89	84.23	63.28	133.57	85.34	151.37



NOON 9/28/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/28/2020	157.34	97.04	78.81	86.61	64.37	134.14	94.56	171.28
CHANGE :		5.72	-1.20	-0.18	1.20	-0.98	9.52	21.12
Five Day Average --		91.60	77.84	84.13	63.29	133.02	86.14	154.91

PREVIOUS WEEKS SETTLE 9/25/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/25/2020	378.38	91.32	80.01	86.79	63.17	135.12	85.04	150.16
Five Day Average --		90.21	76.36	82.88	62.42	132.07	86.35	150.22

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NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE  
SLAUGHTER DATA FOR SEPTEMBER 25 AND 26, 2020

Average carcass weight - 283.08  
Average live weight - 211.61

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

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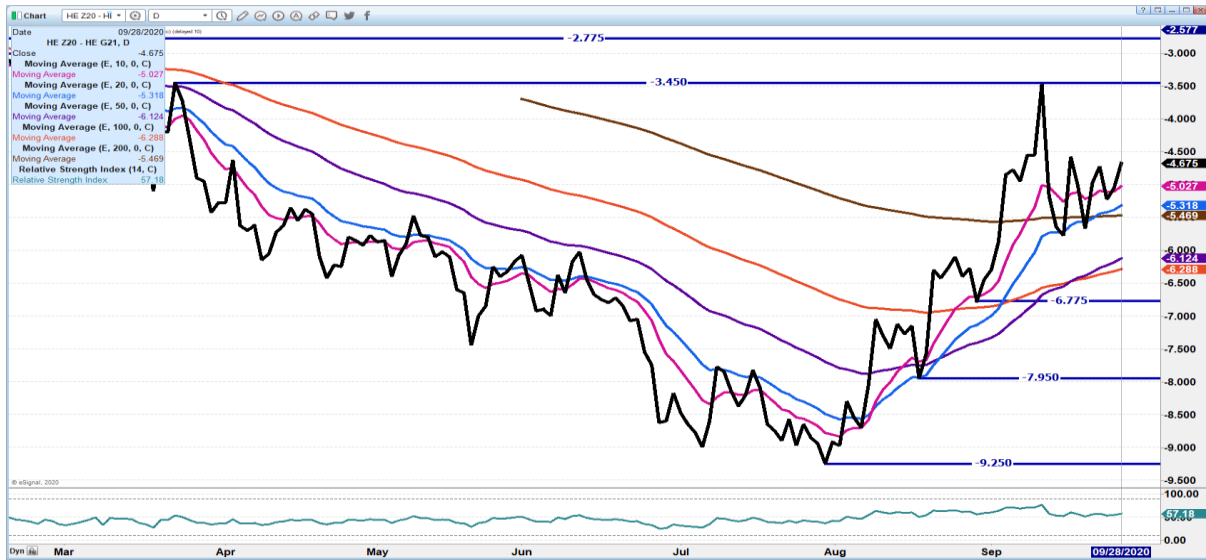
DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM September 25, 2020  
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES  
Carcass Base Price: \$60.00 - \$65.00  
Weighted Average: \$63.98  
Change from Prior Day: 0.72 lower  
HOGS SOLD: 5,183

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)  
PRICE RANGE: \$62.41 - \$86.89  
Weighted Average: \$74.80  
Previous Day: \$74.00  
HOGS SOLD: 200,808

[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 is still wide Could narrow to minus 3.00**



**OCTOBER 2020 LEAN – Resistance at 71.35 to 75.67 Support 68.37**





**DECEMBER 2020 LEAN HOGS – Resistance at 66.82 Support at 63.22**



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