



## Morning September 30, 2020 Livestock Report

by Chris Lehner | 312.242.7942 | [chris.lehner@admis.com](mailto:chris.lehner@admis.com)

### CATTLE

#### USDA FEDERAL SLAUGHTER

SEPTEMBER 29, 2020	120,000
WEEK AGO	121,000
YEAR AGO	118,000
WEEK TO DATE (EST)	238,000
SAME PERIOD LAST WEEK (EST)	241,000
SAME PERIOD LAST YEAR (ACT)	234,000

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	<b>CHOICE</b>	<b>SELECT</b>
BOXED BEEF FINAL	217.16	206.99
CHANGE FROM PRIOR DAY	(0.56)	0.57
CHOICE/SELECT SPREAD:		10.17
TOTAL LOAD COUNT		134
5 DAY SIMPLE AVERAGE:	217.17	207.01

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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 29, 2020

Primal Rib	381.45	348.51
Primal Chuck	176.04	172.82
Primal Round	169.57	169.06
Primal Loin	294.29	272.15
Primal Brisket	162.03	146.64
Primal Short Plate	137.21	137.21
Primal Flank	100.20	103.80

#### FINAL SEPTEMBER 28, 2020

Primal Rib	378.74	347.02
Primal Chuck	175.69	172.42
Primal Round	169.88	169.67
Primal Loin	297.36	276.08
Primal Brisket	162.23	146.59
Primal Short Plate	140.68	140.68
Primal Flank	101.92	110.01



LOAD COUNT AND CUTOUT VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
09/28	85	17	11	34	148	217.72	206.42
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

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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	68.17 loads	2,726,876 pounds
Select Cuts	29.60 loads	1,184,132 pounds
Trimmings	11.10 loads	444,114 pounds
Ground Beef	25.04 loads	1,001,727 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 9/29/2020

IA/MN –CASH 104.00 - 105.00 ON 516 HEAD DRESSED - NO SALES  
NE - CASH – NO SALES DRESSED NO SALES  
KS – CASH NO SALES –DRESSED NO SALES  
TX/OK/NM – NO SALES  
CO – NO SALES

National Daily Direct Cattle SEPTEMBER 29, 2020  
(5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1469	\$105.08	46,124
Live Heifer:	1312	\$104.87	22,103
Dressed Steer:	956	\$164.86	19,910
Dressed Heifer:	832	\$164.71	7,954



Lighter showlists this week, big packer profits and feedlots finally seeing black instead of red margins have given feedlots something to stand upon holding out for higher prices. They know packers want to kill cattle. Asking prices are \$108.00 to \$110.00. The few cattle moved in Iowa/Minnesota were cattle bought last week that were shifted to this week.

There are some feedlots forward contracting taking place for deliveries in 2021 at \$1.00 to \$2.00 under the board price. Forward contracting has been inactive over the past year but with feedlots able to sell with profits and using the carry that has been offered in the futures, feedlots contracting are not willing to gamble any unforeseen events.

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Why would cattle reverse from gapping lower Monday to close higher and Tuesday have futures higher throughout the day? More than likely from August through most of the September, spec traders had widened out bear spreads and the market wasn't bearish. On September 16<sup>th</sup>, the October/December spread settled with December \$5.22 under October. The December/February spread was \$4.62.

It was no secret placements might be big because cattle were moved starting in July off dead grass and pastures from the Southwest, to the mountains and in the West.

On top of it all, packers are making a lot of money. Cash cattle prices have been going up because packers want to fill every shackle that the new COVID 19 line speed will handle.

Beef is moving. High priced primals to ground and processed beef and from Choice to Canners. Beef sales have one of the most unusual years I can recall. There have been reports that show canned meats are doing the best since World War II.

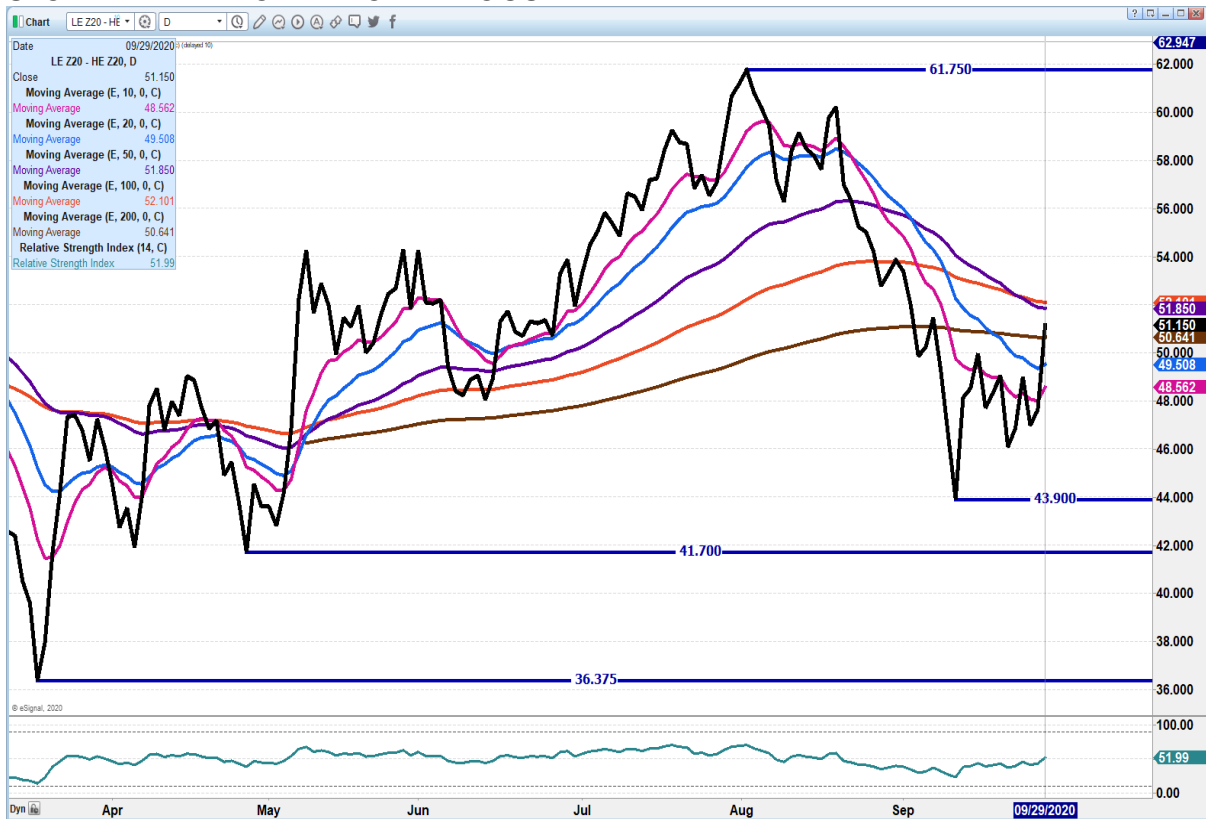
AND...Maybe it has to do with it is 2020 and news that happened a month ago is old news and month old information is no longer pertinent when markets should have news that is seconds old. USDA reports put out data the same way they did when old pushbutton adding machines were used and nobody heard of personal computers.

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As of September 29<sup>th</sup>, dressed steer and heifer weights were 893.2 compared to previous week at 887.0 up 6.2 pounds from week ago and 19 pounds over a year ago. Grading percent was 81.3% compared to previous week at 82.2%.

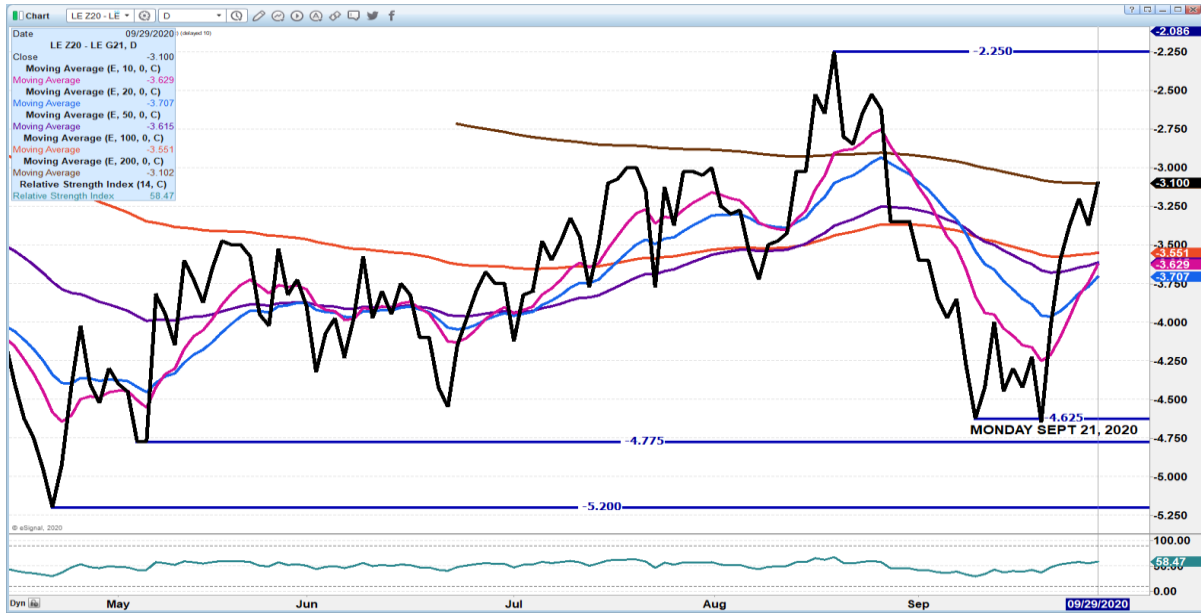


DECEMBER 2020 LIVE CATTLE/DECEMBER 2020 LEAN HOG SPREAD - MOVING INTO OCTOBER LOOK FOR CATTLE TO GAIN ON HOGS BUT DEC HOGS DEEPLY DISCOUNTED TO OCTOBER HOGS MIGHT HAVE HOG SPREAD REVERSE AND HAVE DECEMBER HOGS AT TIMES MAKING SPREAD STAIRSTEP WITH CATTLE GAINING SLOWER THAN NORMAL OVER HOGS

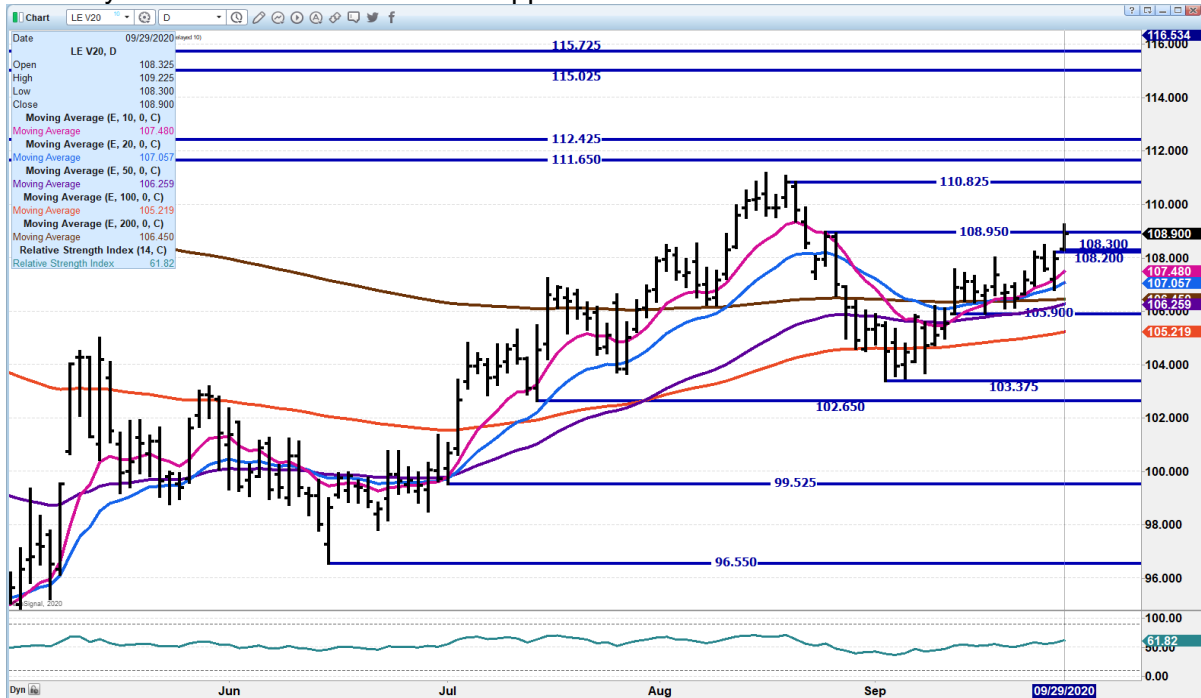


DECEMBER 2020/FEBRUARY 2021 LIVE CATTLE SPREAD - SPREAD IS FAIRLY NORMAL NOW. IF IT CONTINUES TO NARROW IT IS BULLISH CATTLE





**OCTOBER 2020 LIVE CATTLE – Breached double top price from August 25 and 26 on Tuesday. Next resistance at 110.82 Support at 107.45 to 106.25**

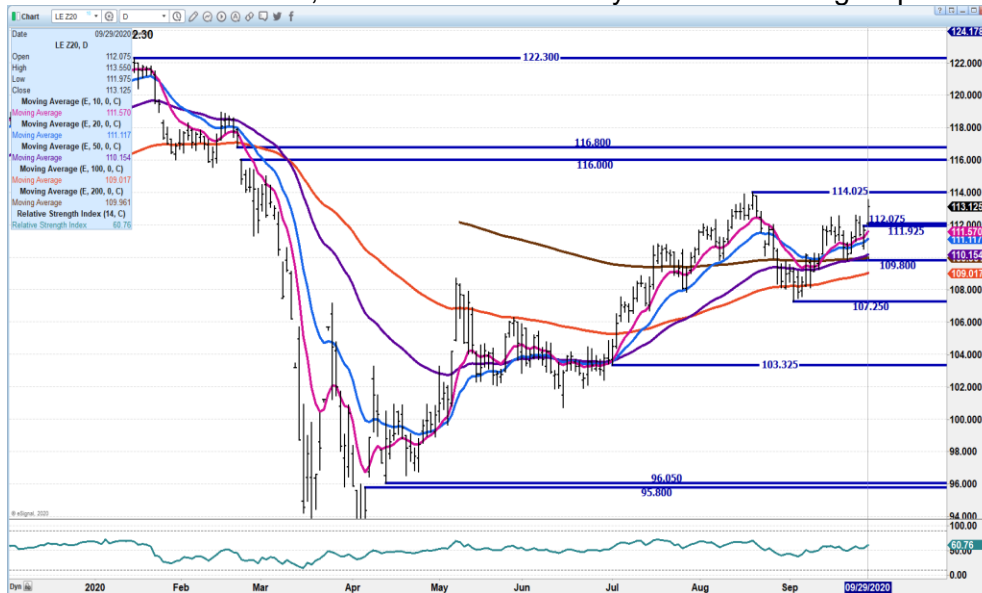


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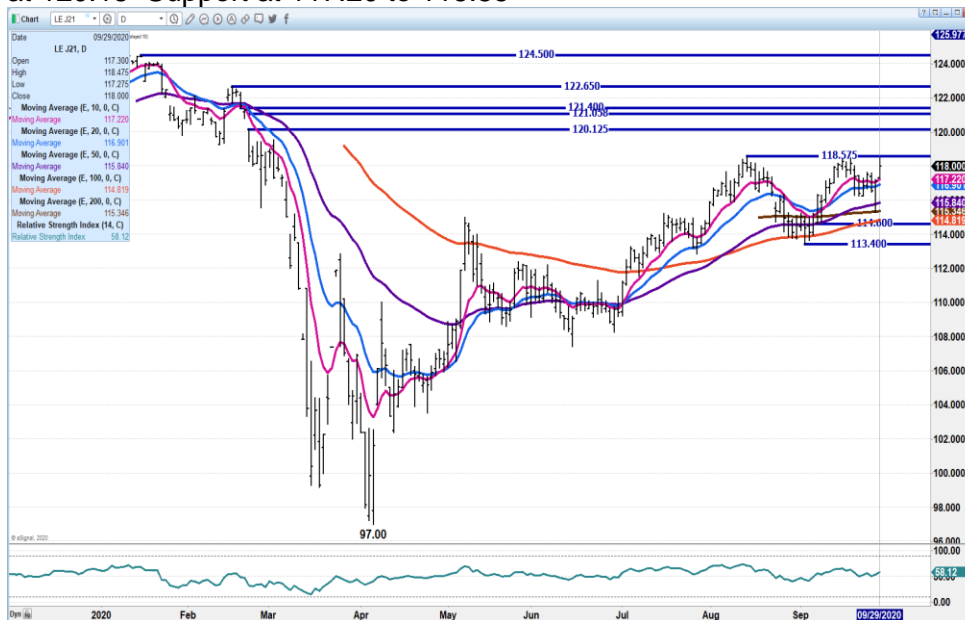
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**DECEMBER 2020 LIVE CATTLE – 114.02 resistance to 116.00/116.80 gap Support at 111.57 to 110.15 Volume at 28,531 Volume has slowly been increasing as prices move higher**



**APRIL 2021 LIVE CATTLE – came within a few cents of resistance at 118.52 Next resistance at 120.15 Support at 117.20 to 115.85**





## Feeder Cattle

THE CME FEEDER INDEX ON 09/28/2020 WAS 142.36 DOWN 25 CENTS FROM PREVIOUS DAY -

OCTOBER 2020 FEEDER CATTLE SETTLED ON SEPTEMBER 29, 2020 AT \$142.92

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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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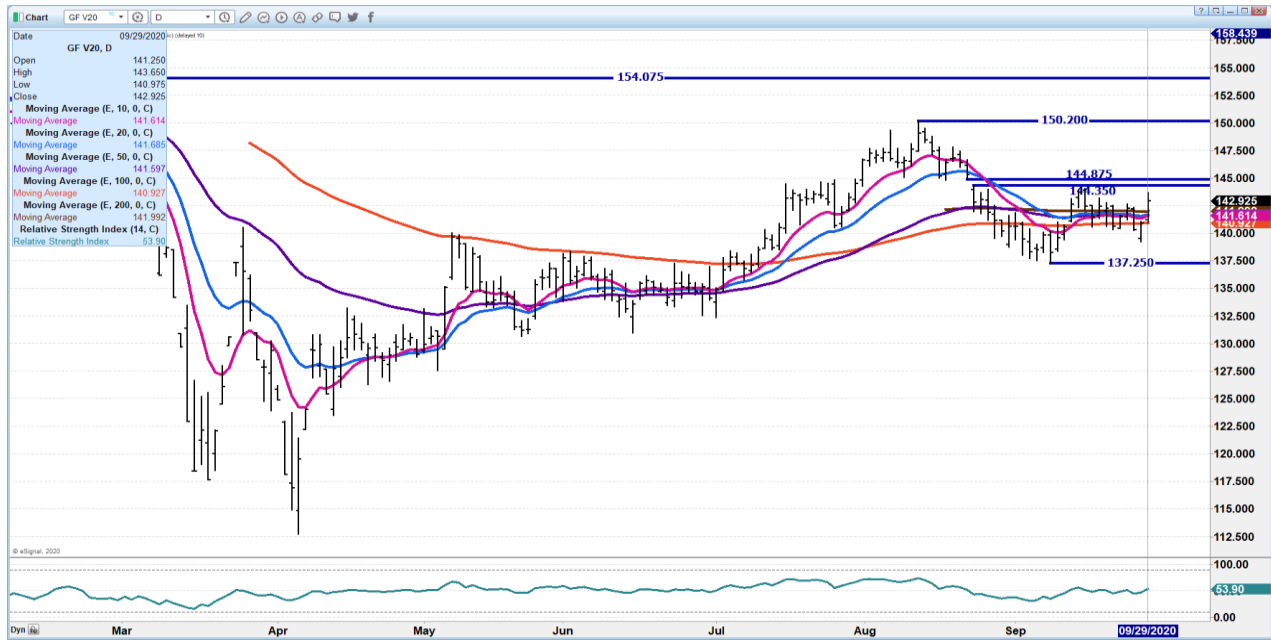
NOVEMBER 2020/JANUARY 2021 FEEDER CATTLE SPREAD. - BULL SPREADING FRIENDLY TO FEEDER CATTLE



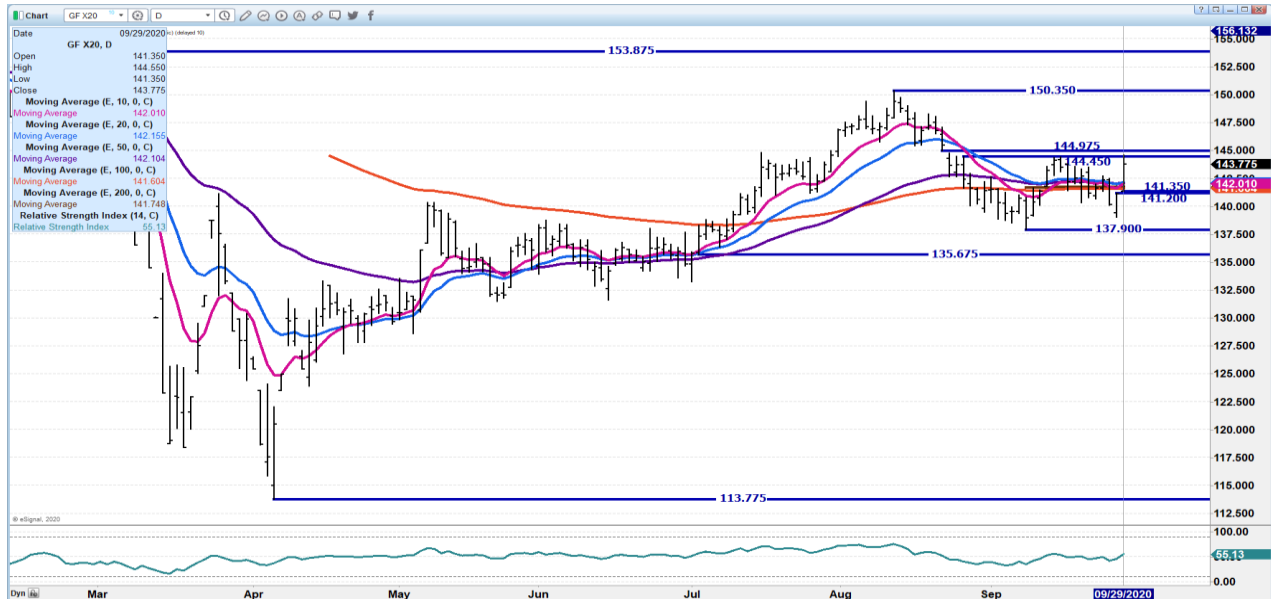
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**OCTOBER 2020 FEEDER CATTLE – RESISTANCE GAP AT 144.35 TO 144.87 SUPPORT AT 140.92 TO 137.95**



**NOVEMBER 2020 FEEDER CATTLE - RESISTANCE AT 144.97 SUPPORT AT 141.20**



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## EAN HOGS

### USDA ESTIMATED FEDERAL HOG SLAUGHTER – TUESDAY

SEPTEMBER 29, 2020	485,000
WEEK AGO	485,000
YEAR AGO	489,000
WEEK TO DATE (EST)	974,000
SAME PERIOD LAST WEEK (EST)	963,000
SAME PERIOD LAST YEAR (ACT)	974,000

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CME CASH HOG INDEX 09/25/2020 AT 75.42 UP 89 CENTS FROM PREVIOUS DAY -

CME CASH PORK CUTOUT INDEX 09/28/2020 AT 90.73 UP .60 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%

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

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CME Group To Launch Pork Cutout Futures And Options On November 9 –

CME GROUP TO LAUNCH PORK CUTOUT FUTURES AND OPTIONS ON NOVEMBER 9  
CME GROUP INC - NEW CONTRACTS WILL BE QUOTED IN U.S. CENTS PER POUND

Press release

[https://www.cmegroup.com/media-room/press-releases/2020/9/29/cme\\_group\\_to\\_launchporkcutoutfuturesandoptionsonnovember9.html](https://www.cmegroup.com/media-room/press-releases/2020/9/29/cme_group_to_launchporkcutoutfuturesandoptionsonnovember9.html)

For more information on CME Group's Pork Cutout futures and options and the CME Pork Cutout Index

<https://www.cmegroup.com/trading/agricultural/livestock/cme-pork-cutout-futures-and-options.html?redirect=/pork-cutout>

*If any of you have comments, I would like to know what you think. I will share my opinion later -Chris*

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**SEPTEMBER 29, 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 29, 2020

LOADS OF PORK CUTS: 347.82

LOADS TRIM/PROCESSED PORK: 28.71

**FINAL 9/29/2020**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/29/2020	376.54	91.75	80.37	88.80	65.17	139.25	85.03	147.61
CHANGE :		-1.64	1.31	1.66	0.87	2.37	-5.52	-6.00
Five Day Average --		91.49	78.59	85.40	63.36	135.36	86.51	150.83

**FINAL 9/28/2020**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/28/2020	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

**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 28, 2020**

Average carcass weight - 280.12  
 Average live weight - 209.74  
[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 29, 2020  
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**

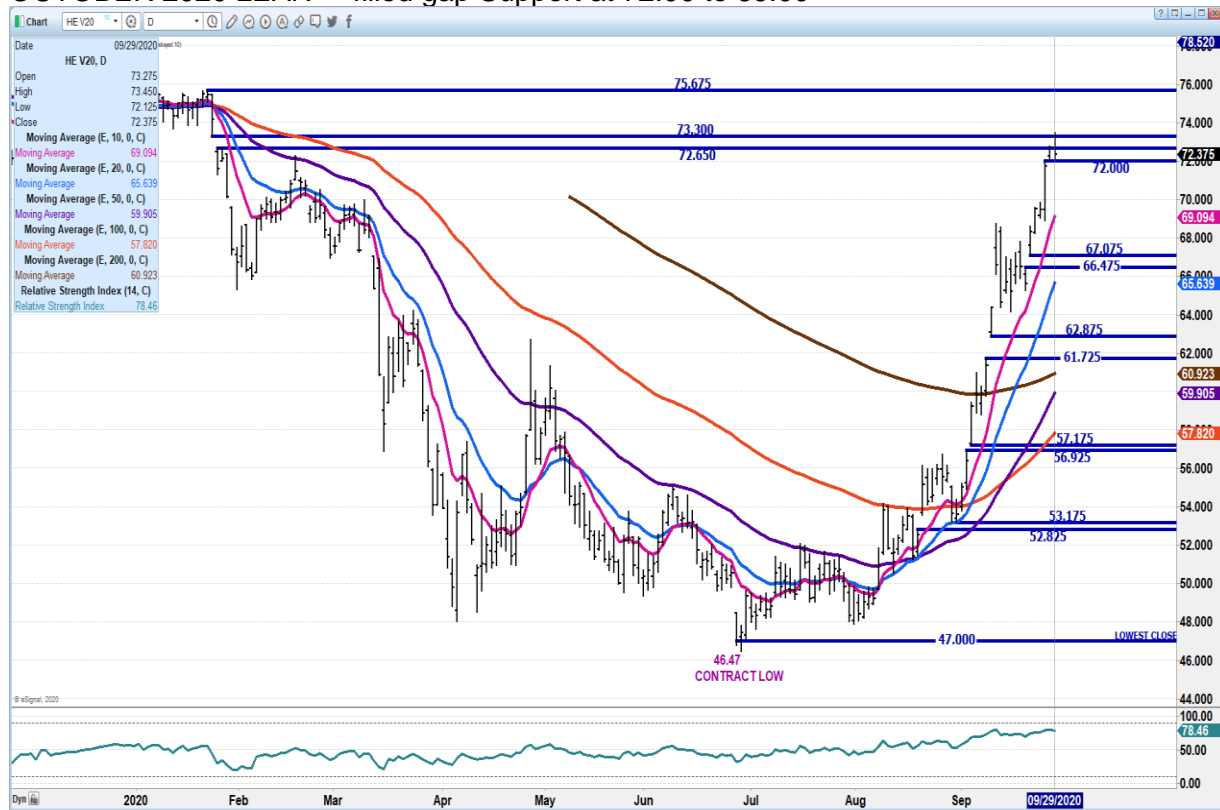
Carcass Base Price: \$60.00 - \$66.75  
 Weighted Average: \$64.08  
 Change from Prior Day: 0.02 lower  
 HOGS SOLD: 7,086



**SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)**  
 PRICE RANGE: \$59.95 - \$88.96  
 Weighted Average: \$74.80  
 Previous Day: \$75.29  
 HOGS SOLD: 147,637

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

**OCTOBER 2020 LEAN – filled gap Support at 72.00 to 69.00**





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### DECEMBER 2020 LEAN HOGS – fell to 20 day now support Resistance 64.37



CHARTS FROM ESIGNAL INTERACTIVE, INC.

[Chris.Lehner@admis.com](mailto:Chris.Lehner@admis.com)

312 242 7942

913.787.6804

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