



Morning September 18, 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 17, 2020	119,000
WEEK AGO,	119,000
YEAR AGO,	115,000
WEEK TO DATE (EST)	479,000
SAME PERIOD LAST WEEK (EST)	360,000
SAME PERIOD LAST YEAR (ACT)	471,000

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	CHOICE	SELECT
BOXED BEEF FINAL 9/17/2020	215.05	203.39
CHANGE FROM PRIOR DAY	(0.33)	(1.12)
CHOICE/SELECT SPREAD:		11.66
TOTAL LOAD COUNT		2.17
5 DAY SIMPLE AVERAGE:	217.88	206.59

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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 17, 2020

Primal Rib	353.56	329.91
Primal Chuck	171.36	166.13
Primal Round	169.26	169.77
Primal Loin	306.13	270.60
Primal Brisket	157.14	152.64
Primal Short Plate	138.79	138.79
Primal Flank	104.27	111.48



FINAL SEPTEMBER 16, 2020

Primal Rib	353.77	334.47
Primal Chuck	172.08	168.21
Primal Round	168.15	169.44
Primal Loin	306.73	271.85
Primal Brisket	157.00	152.04
Primal Short Plate	138.85	138.85
Primal Flank	110.80	106.17

LOAD COUNT AND CUTOUT VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
09/16	95	28	6	37	166	215.38	204.51
09/15	100	18	11	30	159	216.09	206.28
09/14	94	19	18	17	149	217.21	207.76
09/11	79	16	56	14	164	219.89	207.10
09/10	114	36	18	29	198	220.83	207.32

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	144.35 loads	5,774,034 pounds
Select Cuts	30.98 loads	1,239,107 pounds
Trimming	7.33 loads	293,176 pounds
Ground Beef	34.42 loads	1,376,753 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 EXPORTS AT BOTTOM OF REPORT

USDA POSTED CATTLE PRICES ON 9/17/2020

IA/MN –CASH 102.00 - 106.00 DRESSED - 162.00 - 163.00
NE - CASH – 103.00 - 103.50 DRESSED 163.00
KS – CASH – 103.00 - 105.00 DRESSED 163.00
TX/OK/NM – NO CASH SALES LISTED BY USDA THURSDAY
CO – **Information not available due to confidentiality**



National Daily Direct Cattle SEPTEMBER 17, 2020
(5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1443	\$102.73	25,198
Live Heifer:	1275	\$102.85	14,005
Dressed Steer:	953	\$161.54	5,744
Dressed Heifer:	852	\$161.78	2,465

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Thursday cash cattle sales reached \$106 in Iowa/Minnesota and feedlots in Kansas after dumping cattle earlier in the week had sales up to \$105.00. Packers want to put as many cattle as possible through the line.

Beef appears to be bottoming.. Choice spread is widening out again. This week movement has been larger than previous weeks. Big Choice movement and ground beef and trimmings remain large.

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Kansas grain/feedlots jumped on \$103 and moved cattle Wednesday. These feedlots sell cattle for the “city cattlemen” the doctors, lawyers, engineers and commodity traders living in the cities that like to say they feed cattle. Also, this year backgrounders and cow/calf producers that didn’t want to sell cattle in the spring when prices dumped, , they retained ownership and put cattle on feed.

Feedlot owners needed to move cattle from lots because of heavy weights and new feeders coming off grass were needing feedlot pen space.

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The Fed Cattle Exchange had 613 head at Wednesday Internet 10:00AM central time sale. Nothing was sold. Cattle were offered from \$101.00 to \$102.00 for cattle delivered in 1 to 9 days and \$102.00 to \$104.00 for cattle delivered 1-17 days.

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China has suspended poultry imports from second U.S. plant over COVID-19. China has suspended on last count 9 beef, pork and poultry plants in Brazil and Argentina. For the first half of 2020 China doubled the pork it bought in 2020 compared to previous 2019.

There seems to be a pattern that China may be doing more than stopping meat exports due to COVID 19 or African Swine Fever. It shouldn’t come as a surprise to the possibility if in the near future China cancels exports from the US or other countries. China has record poultry inventories, has been quickly rebuilding it’s hog herd, has imported record tonnes of beef and



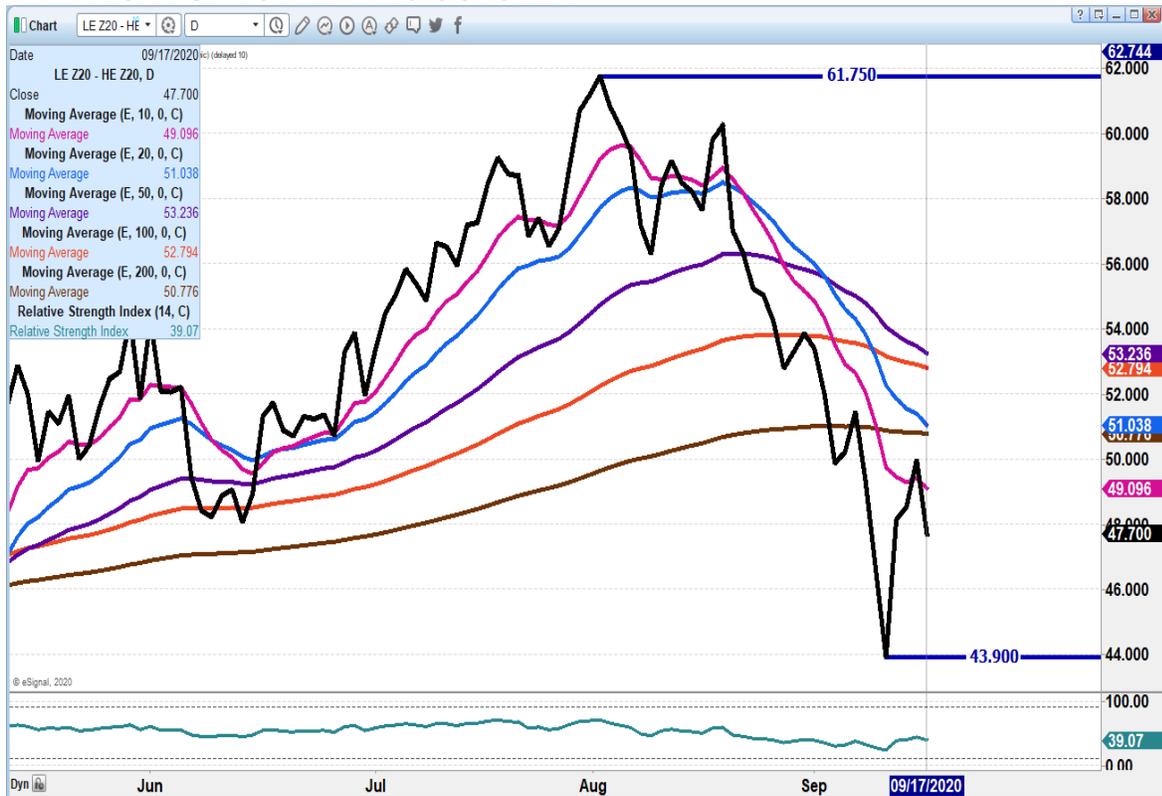
pork from Brazil over the last year and doubled first half pork exports from EU first have of 2020 compared to 2019..

China has imported record soybeans from Brazil and over past 2 months kicked up buying soybean exports from the U.S. Hog prices have been dropping in China.

In other words, China has tonnes of poultry, beef, pork and fish in refrigerated inventories and ready supplies of livestock and poultry.

As of September 15TH, dressed steer and heifer weights were 896.6 compared to previous week at 888.9 up 7.7 pounds from week ago and 29 pounds over a year ago. Grading percent was 82.6% compared to previous week at 82.6%.

DECEMBER 2020 LIVE CATTLE/DECEMBER 2020 LEAN HOG SPREAD - AFTER HIGHER CASH THIS WEEK, SPREAD COULD BE FRIENDLIER TO CATTLE BUT SPREADERS MAY WAIT RIGHT UP TO AND INTO OCTOBER





DEC 2020/DFEBRUARY 2020 LIVE CATTLE SPREAD - WIDENING BEAR SPREADS.



OCTOBER 2020 LIVE CATTLE – Dropped to support at and ended above all moving averages. Support at 105.50 to 104.82 Resistance at 108.95





DECEMBER 2020 LIVE CATTLE – Volume just moderate at 22,962 Resistance is a close over 112.00 up to 114.02 Support at 110.67 to 109.50



FEBRUARY 2021 LIVE CATTLE – Close over 116.52 to 118.57 Support at 114.52 to 113.20





Feeder Cattle

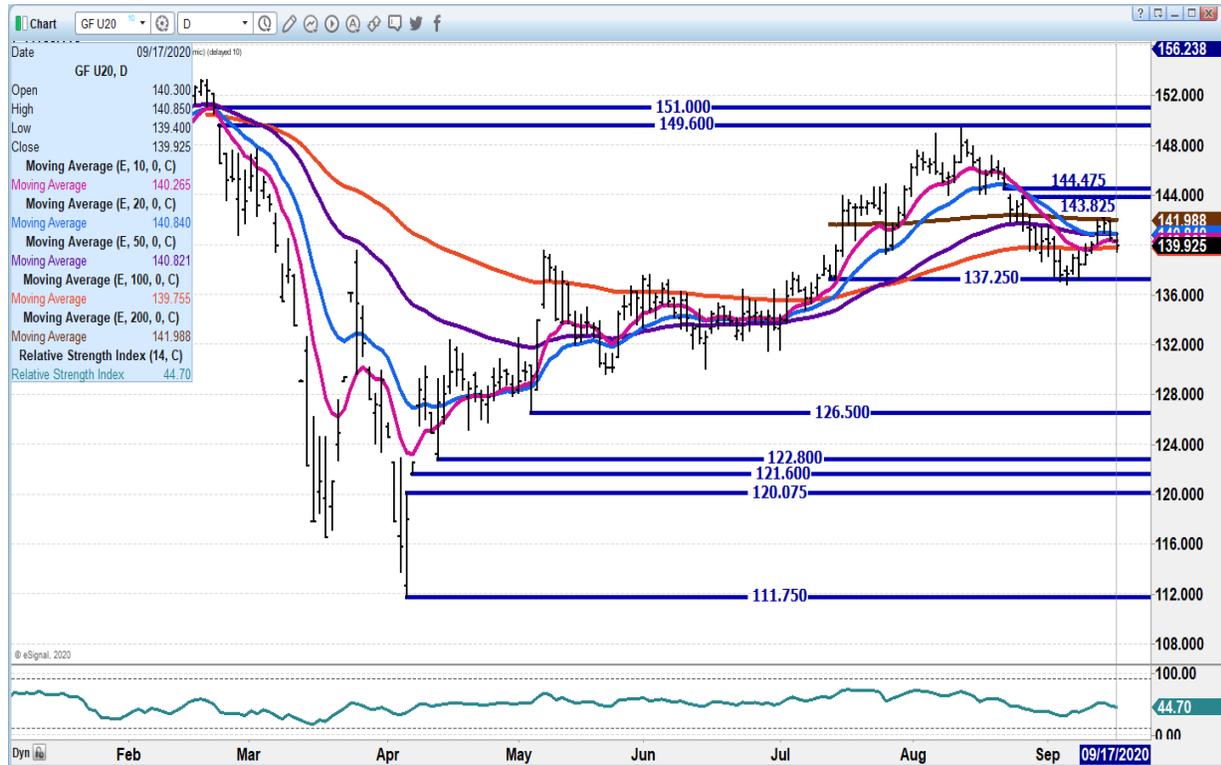
THE CME FEEDER INDEX ON 09/16/2020 WAS 141.21 UP 61 CENTS FROM PREVIOUS DAY –

SEPTEMBER 2020 FEEDER CATTLE SETTLEMENT ON SEPTEMBER 17, 2020 WAS \$139.92

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KANSAS AND OKLAHOMA FEEDLOTS, THE CUSTOM LOTS, HAVE BEEN KEEPING CATTLE IN FEEDLOTS AND HOLDING OFF TAKING CATTLE OFF GRASS. THIS WEEK THEY MOVED CATTLE AND BRINGING IN FEEDERS. THEY WILL NEED MORE. NORTHERN AND MIDWEST FEEDLOTS NEED REPLACEMENTS. SOUTHWEST FEEDER NUMBERS ADEQUATE TO RESTOCK AT THIS TIME.

SEPTEMBER 2020 FEEDER CATTLE – DROPPED TO SUPPORT. A CLOSE UNDER 139.25 PUTS SUPPORT AT 137.25 REISTANCE AT 142.00 TO 143.82

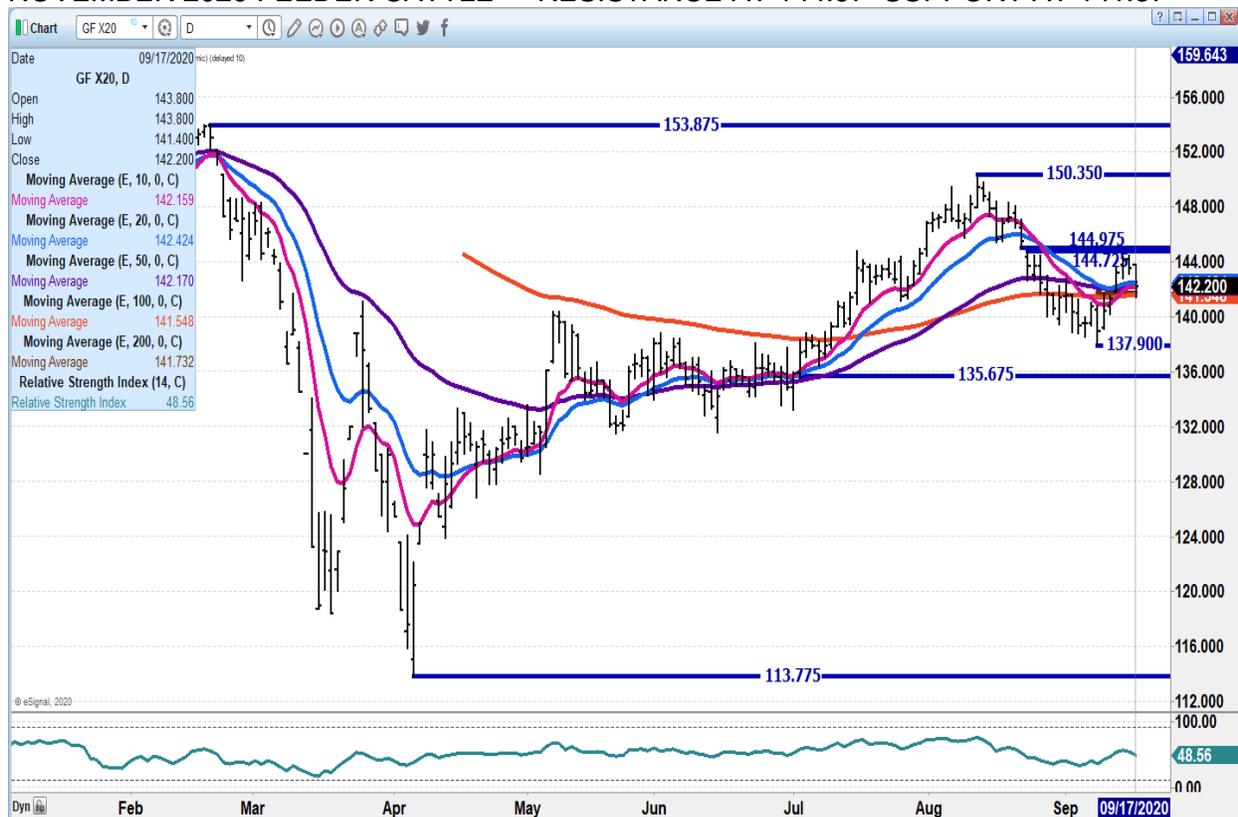




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NOVEMBER 2020 FEEDER CATTLE - RESISTANCE AT 144.97 SUPPORT AT 141.37



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER – TUESDAY

SEPTEMBER 16, 2020	484,000
WEEK AGO	485,000
YEAR AGO	485,000
WEEK TO DATE (EST)	1,940,000
SAME PERIOD LAST WEEK (EST)	1,440,000
SAME PERIOD LAST YEAR (ACT)	1,954,000

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CME CASH HOG INDEX 09/15/2020 AT 66.42 UP 1.07 FROM PREVIOUS DAY -

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CME CASH PORK CUTOUT INDEX 09/16/2020 AT 81.96 UP 58 CENTS FROM PREVIOUS DAY.

CME CASH FRESH BACON INDEX ON 09/11/2020 WAS 163.42 COMPARED TO 09/04/2020 WAS 151.77

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Pork carcass gained 3.89 with gains on hams up 8.70 but all primal cuts higher with small gains on loins.

Large contract buyers have pork contracted at much lower prices and for small movement on daily sales, only 280 total loads Thursday the hand to mouth retail buyers are being squeezed and have to pay the asking price.

Hogs up as spreaders continue to bull spread December as the buy and sell 2021 hogs

Exports were big but didn't get as big move on futures as should happen with 50,600 metric tonne movement.

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Does the world need more pork on the market?

China stopped shipments of pork from Germany because African Swine Fever was found in a few feral hogs. China found COVID 19 in poultry from the US and stopped shipments from 2 plants. COVID 19 in beef, pork and poultry from South American packers stopped shipments.

It is possible and likely China stopping shipments is more negative for hog prices than bullish ASF was found in feral hogs in Germany and so far not commercial herds. If German commercial hogs don't get ASF, Germany won't liquidate commercial hogs. If they don't have to liquidate hogs, Germany will produce the same amount of pork. German pork will still be sold and likely at lower prices since China is out of the market. There are plenty of countries that would be more than happy to buy cheaper pork and possibly some of the countries are buying US or having to take in Brazilian pork that China was taking.

By January 2019 and throughout 2020 China mandated the increase of hog numbers. Billions have been spent increasing pork and poultry. Hog prices are falling in China. Could China be using Germany finding ASF and other countries with shipments of meat contaminated with COVID 19?



 The CME Index is fairly inline with pork carcass now. Gain on October was only bull spread as other spreads continued the reverse of Monday.
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SEPTEMBER 17, 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 17, 2020

LOADS OF PORK CUTS: 257.29

LOADS TRIM/PROCESSED PORK: 22.70

FINAL 9/17/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/17/2020	279.99	87.03	74.04	82.42	62.06	126.96	83.60	141.29
CHANGE :		3.89	0.41	5.37	3.89	1.15	8.70	3.44
Five Day Average --		83.08	73.15	79.22	58.01	125.13	74.94	136.99

NOON 9/17/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/17/2020	136.53	91.07	69.35	81.32	65.07	127.87	94.05	155.69
CHANGE :		7.93	-4.28	4.27	6.90	2.06	19.15	17.84
Five Day Average --		83.89	72.21	79.00	58.61	125.31	77.03	139.87

FINAL 9/16/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/16/2020	338.65	83.14	73.63	77.05	58.17	125.81	74.90	137.85
CHANGE :		-1.12	-2.38	-2.97	-0.99	-0.32	-0.28	0.18
Five Day Average --		81.84	72.30	78.07	56.65	124.21	73.37	135.16

FINAL 9/11/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/11/2020	347.47	81.25	72.07	78.67	55.03	122.07	73.56	133.29

(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 16, 2020



Average carcass weight - 277.80
 Average live weight - 207.67
https://www.ams.usda.gov/mnreports/ams_2511.pdf

DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM September 17, 2020
 NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES
 Carcass Base Price: \$52.00 - \$67.00
 Weighted Average: \$62.50
 Change from Prior Day: 1.60 higher
 HOGS SOLD: 10,317

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)
 PRICE RANGE: \$48.89 - \$78.71
 Weighted Average \$68.15 PREVIOUS DAY \$67.08
 HOGS SOLD: 153,292
https://www.ams.usda.gov/mnreports/lm_hq203.txt

DECEMBER 2020 – FEBRUARY 2021 LEAN HOG SPREAD - Spread narrowing is bull spreading.. Could narrow to 3.50





OCTOBER 2020 LEAN HOGS - 68.02 resistance at 68.02. Support at 62.87 to 60.20



DECEMBER 2020 LEAN HOGS – Support at 61.57 Resistance at 66.82



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Beef: Net sales of 14,300 MT reported for 2020 were down 8 percent from the previous week and 2 percent from the prior 4-week average. Increases were primarily for South Korea (4,400 MT, including decreases of 300 MT), Japan (4,000 MT, including decreases of 200 MT), China (1,800 MT), Mexico (1,400 MT), and Canada (900 MT, including decreases of 100 MT). For 2021, net sales of 500 MT were primarily for Japan. Exports of 14,100 MT were down 12 percent from the previous week and 19 percent from the prior 4-week average. The destinations were primarily to Japan (4,000 MT), South Korea (3,900 MT), Hong Kong (1,400 MT), Taiwan (1,200 MT), and Mexico (1,000 MT).

Pork: Net sales of 50,600 MT reported for 2020 were up 68 percent from the previous week and 41 percent from the prior 4-week average. Increases primarily for China (35,900 MT, including decreases of 200 MT), Mexico (5,900 MT, including decreases of 400 MT), Japan (3,200 MT, including decreases of 400 MT), Canada (1,500 MT, including decreases of 400 MT), and Australia (1,300MT, including decreases of 100 MT), were offset by reductions primarily for Nicaragua (100 MT). For 2021, total net sales of 100 MT were for Australia. Exports of 28,600 MT were down 15 percent from the previous week and 12 percent from the prior 4-week average. The destinations were primarily to Mexico (9,200 MT), China (8,300 MT), Japan (3,700 MT), Canada (1,900 MT), and South Korea (1,400 MT).

CHARTS FROM ESIGNAL INTERACTIVE, INC.

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