



Morning September 21, 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 18, 2020	111,000
WEEK AGO,	119,000
YEAR AGO,	116,000
SATURDAY 09/19/2020	55,000 - A WEEK AGO 95,000, YEAR AGO 73,000
WEEK TO DATE (EST)	645,000
SAME PERIOD LAST WEEK (EST)	574,000
SAME PERIOD LAST YEAR (ACT)	661,000
2020 YEAR TO DATE	22,847,000
*YEAR TO DATE	23,921,000
Percent change year to date	-4.5%
Previous week	-4.6%

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	CHOICE	SELECT
BOXED BEEF NOON 9/18/2020	215.64	203.94
CHANGE FROM PRIOR DAY	0.59	0.55
CHOICE/SELECT SPREAD:		11.70
TOTAL LOAD COUNT		147
5 DAY SIMPLE AVERAGE:	216.72	205.81
PREVIOUS WEEK 09/11/2020		
BOXED BEEF FINAL	219.89	207.10

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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 18, 2020

Primal Rib	356.62	331.74
Primal Chuck	172.87	165.92
Primal Round	168.84	169.19
Primal Loin	305.88	271.40
Primal Brisket	157.83	161.33
Primal Short Plate	137.58	137.58
Primal Flank	103.99	112.29

PREVIOUS WEEK

FINAL SEPTEMBER 11, 2020

	CHOICE	SELECT
Primal Rib	368.61	337.47
Primal Chuck	176.94	170.53
Primal Round	174.21	173.93
Primal Loin	305.53	275.60
Primal Brisket	166.65	151.87
Primal Short Plate	135.80	135.80
Primal Flank	111.26	105.92

LOAD COUNT AND CUTOUT VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
09/17	144	31	7	34	217	215.05	203.39
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	83.84 loads	3,353,522 pounds
Select Cuts	20.79 loads	831,635 pounds
Trimmings	28.42 loads	1,136,772 pounds
Ground Beef	13.45 loads	538,062 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 9/18/2020

IA/MN –CASH 103.00 - 106.00 DRESSED - 162.00 - 165.00
 NE - CASH – 103.50 - 104.00 DRESSED 165.00 - 165.00
 KS – CASH – 103.00 DRESSED 163.00
 TX/OK/NM – 103.00 - few at 104.00
 CO – **Information not available due to confidentiality**

National Daily Direct Cattle SEPTEMBER 18, 2020
 (5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1465	\$103.34	42,518
Live Heifer:	1294	\$103.15	18,855
Dressed Steer:	956	\$163.08	14,268
Dressed Heifer:	856	\$162.78	5,067

PREVIOUS WEEK

National Daily Direct Cattle SEPTEMBER 04, 2020
 (5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1481	\$101.24	21,477
Live Heifer:	1333	\$101.07	15,740
Dressed Steer:	963	\$160.71	17,833
Dressed Heifer:	875	\$160.53	4,955

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On one day's trade and a Friday trade cannot definitively say but action of both cattle and hogs appears to be unwinding of long hogs/short cattle spreads and unwinding or just profit taking on the bear spread cattle and the bull spread lean hogs.

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Could be quiet week ahead of reports. Next week there are the three livestock reports, Cold Storage on Tuesday, the Quarterly Hogs and Pigs report on Thursday and Cattle on Feed on Friday. Since August Hogs went off the board, spreads have had some big moves. Trading this week showed some slight reversals on spreads, volume was slowing and as often is the case, they can be signals formula traders are moving to the sidelines or changing direction.



Fundamentally, the Choice spread is widening over past two days which is normally friendly, and packers if they want to have good kill this week will need to bid higher.

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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..

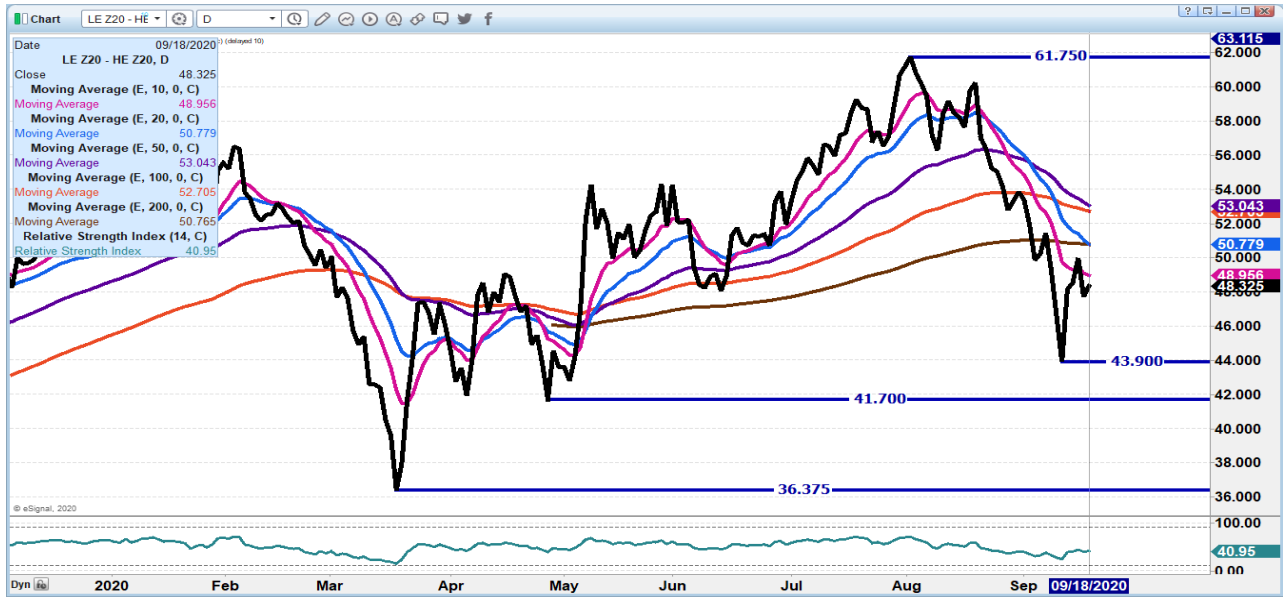
China has imported record soybeans from Brazil and over past 2 months kicked up buying soybean exports from the U.S. Hog prices have been dropping in China.

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

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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 - MOVING INTO
OCOTBER, CATTLE SHOULD START TO GAIN ON HOGS

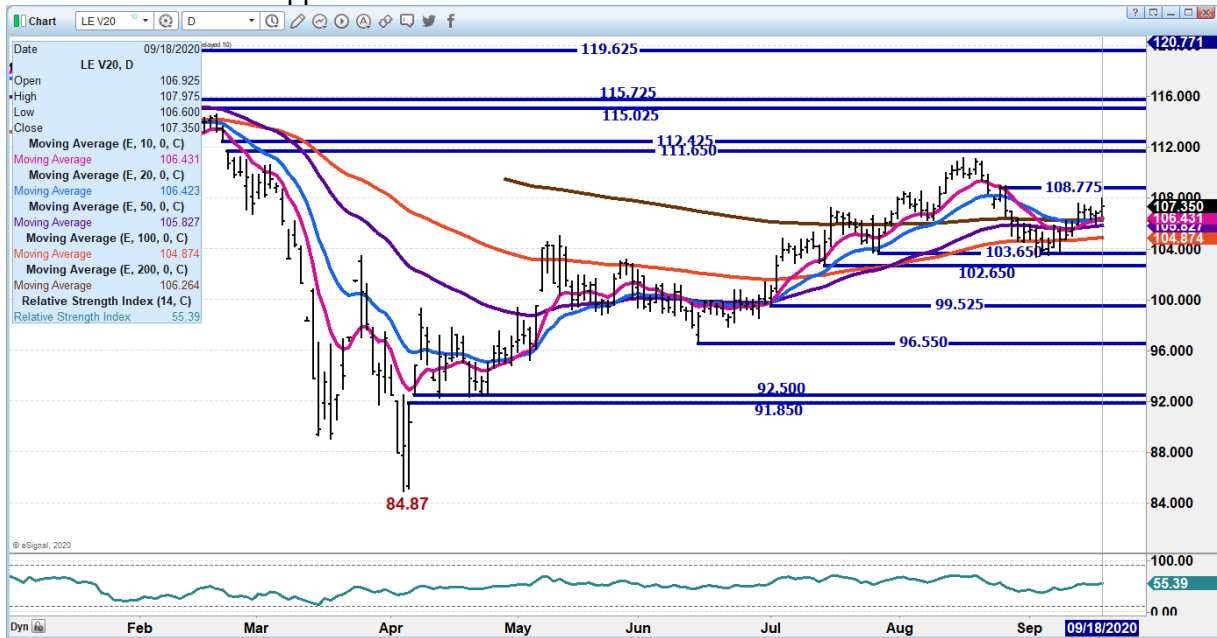


DECEMBER 2020/DFEBRUARY 2020 LIVE CATTLE SPREAD - SPREAD IS WIDE.
 DECEMBER SHOULD GAIN ON FEBRUARY





OCTOBER 2020 LIVE CATTLE – Resistance is double top at 108.77 up to gap area from 111.65 to 112.42. Support at 106.37 to 104.87



DECEMBER 2020 LIVE CATTLE – Volume on Friday was 22,962. Resistance is 114.02 to 116.00 to 116.80 Support is 110.87 to 108.60

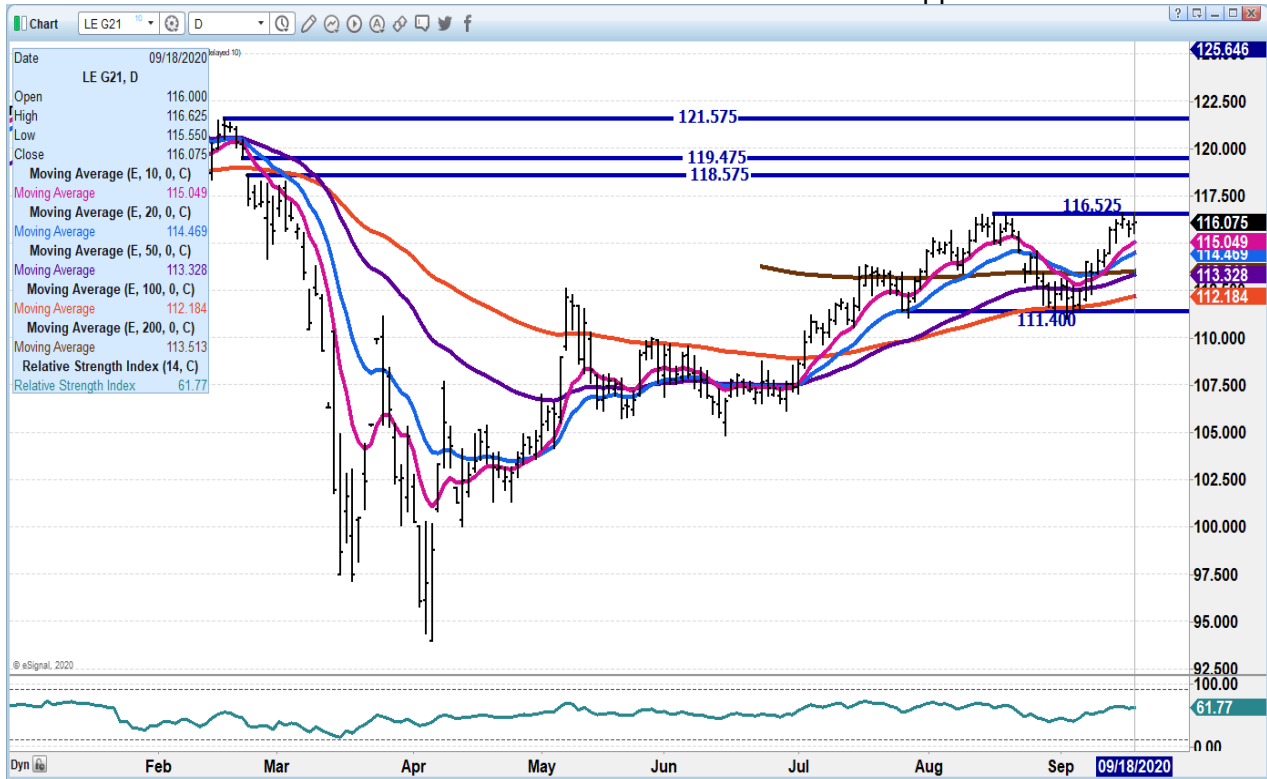


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FEB 2021 LIVE CATTLE – Resistance is 116.52 to 118.57/119.47 Support is 114.40 to 112.17



Feeder Cattle

THE CME FEEDER INDEX ON 09/17/2020 WAS 142.19 UP 98 CENTS FROM PREVIOUS DAY

PREVIOUS WEEK - THE CME FEEDER INDEX ON 09/10/2020 WAS 140.99

SEPTEMBER 2020 FEEDER CATTLE SETTLEMENT ON SEPTEMBER 18, 2020 WAS \$140.87

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 09/18/2020

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	201,200	46,700	39,800	287,700
LAST WEEK:	119,800	24,000	68,200	212,000
YEAR AGO:	158,500	78,100	32,100	268,700

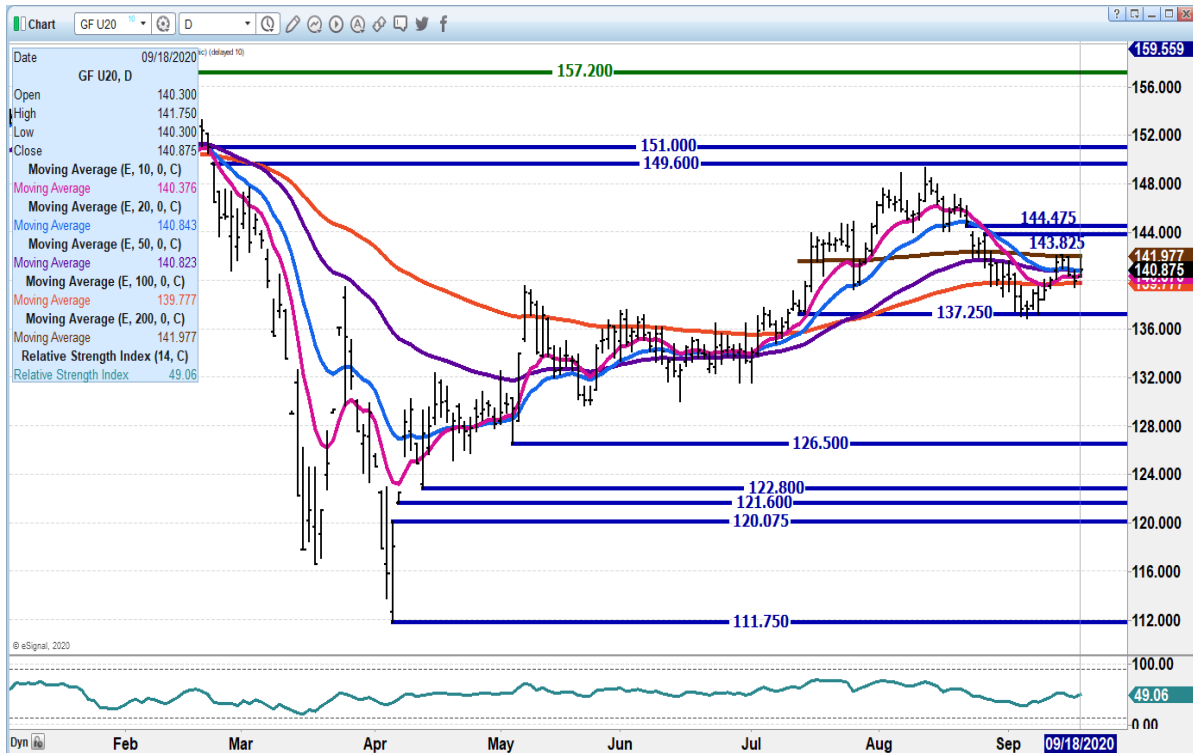
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COMPARED TO LAST WEEK, COMING BACK AFTER LAST WEEK'S LABOR DAY HOLIDAY MANY MARKETS THIS WEEK ARE COMPARED TO TWO WEEKS AGO, ESPECIALLY SOME OF THE LARGE VOLUME MONDAY SALES AND EARLY WEEK SALES. ORDER BUYERS THIS WEEK FLEXED THEIR MUSCLES PURSUING THE LONG GREEN GRASS YEARLINGS OVER 750 LBS, MOSTLY 850-1000 LBS SELLING STEADY TO 5.00 HIGHER WITH INSTANCES 8.00 HIGHER. CALVES ARE SPLIT INTO TWO GROUPS THE LONG TIME WEANED CALVES WITH VACCINATION PROGRAMS SELLING MOSTLY STEADY TO FIRM WITH SOME SALES UP TO 5.00 HIGHER. THE OTHER SIDE OF THE COIN IS THE UNWEANED FLESHY BAWLERS IN MANY CASES WHERE REPORTED TRADING 3.00-8.00 LOWER OR REPORTED WITH A SHARPLY LOWER UNDERTONE.

[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/SJ_LS850.TXT](https://www.ams.usda.gov/mnreports/sj_ls850.txt)

SEPTEMBER 2020 FEEDER CATTLE – RESISTANCE IS 200 DAY MOVING AVERAGE AT 141.97 TO 143.82/144.47 SUPPORT IS 139.75 TO 137.25



NOVEMBER 2020 FEEDER CATTLE - 144.77 TO 144.97 RESISTANCE. SUPPORT AT 141.50 TO 137.90



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER – TUESDAY

SEPTEMBER 18, 2020	468,000	
WEEK AGO	480,000	
YEAR AGO	442,000	
SATURDAY 09/19/2020	193,000-	A WEEK AGO 403,000 - YEAR AGO 205,000
WEEK TO DATE (EST)	2,587,000	
SAME PERIOD LAST WEEK (EST)	2,323,000	
SAME PERIOD LAST YEAR (ACT)	2,601,000	
2020 YEAR TO DATE	92,326,000,000	
2019 *YEAR TO DATE	91,230,000	
PERCENT CHANGE YEAR TO DATE	1.2%	COMPARED TO A WEEK AGO 1.3%

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CME CASH HOG INDEX 09/16/2020 AT 67.84 UP 1.42 FROM PREVIOUS DAY -
PREVIOUS WEEK - CME CASH HOG INDEX 09/11/2020 AT 64.55

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CME CASH PORK CUTOUT INDEX 09/17/2020 AT 83.04 UP 1.08 FROM PREVIOUS DAY.
[PREVIOUS WEEK - CME CASH PORK CUTOUT INDEX 09/12/2020 AT 80.60](#)

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

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Cutout gained last week \$6.28 for the week. Gain on hams and bellies the best primals. Carcass selling remains a large part of movement especially to China. China is buying more offal this year from US that normally accounts for \$4.00/cwt. China is world's largest buyer of feet, heads, tails, and organ meats.

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Bull spreading is showing signs of reversal or liquidation. Spec traders likely profit taking December spreads on out ahead of next week's Hogs and Pigs Report. Col storage report Tuesday should show less pork compared to a year ago. Pork movement in 2020 has been good.

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

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China is preparing for second wave of COVID 19 combined with flu this fall and winter. They have sold freezer stocks of beef, mutton, poultry and pork for the second largest national festival at end of the month. Cash Lean Hog prices dropping in China past two weeks. Don't be surprised after travel is over after Moon and Harvest Festival that exports slow and much stricter scrutiny for ASF on commodities entering China.

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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 18, 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 18, 2020

LOADS OF PORK CUTS: 345.89

LOADS TRIM/PROCESSED PORK: 43.84



NOON 9/18/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/18/2020	389.73	87.53	73.78	80.91	60.87	128.34	84.13	145.26
CHANGE :		0.50	-0.26	-1.51	-1.19	1.38	0.53	3.97
Five Day Average --		84.33	73.49	79.67	59.17	126.39	77.05	139.39

PREVIOUS WEEK 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

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NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE
SLAUGHTER DATA FOR SEPTEMBER 17, 2020

Average carcass weight - 279.24
 Average live weight - 208.88
https://www.ams.usda.gov/mnreports/ams_2511.pdf

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DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM September 18, 2020
 NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES
 Carcass Base Price: \$50.00 - \$64.00
 Weighted Average: \$60.26
 Change from Prior WEEK: \$5.86 higher
 HOGS SOLD: 8,722

DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM September 10, 2020
 NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES
 Carcass Base Price: \$44.00 - \$62.00,
 Weighted Average: \$54.40

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)
 PRICE RANGE: \$53.25 - \$82.60
 Weighted Average: \$70.45
 Change from Prior WEEK: \$7.67
 HOGS SOLD: 149,119

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)
 Weighted Average \$62.78
 September 10, 2020

https://www.ams.usda.gov/mnreports/lm_hq203.txt



DECEMBER 2020 – FEBRUARY 2021 LEAN HOG SPREAD - Spread is narrowing and resistance at #.00 Support at minus 5.56..



OCTOBER 2020 LEAN HOGS - After rally previous week resistance is 68.72 to 69.97 Support at 63.85 to gap at 62.87 to 61.72





DECEMBER 2020 LEAN HOGS – Resistance is 66.82 Support at 61.90 to 60.55/59.87



CHARTS FROM ESIGNAL INTERACTIVE, INC.

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