



## Morning September 22, 2020 Livestock Report

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Autumn begins at 8:30AM Central Time September 22, 2020

### SEPTEMBER 2020 LIVESTOCK REPORTS

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

HOGS AND PIGS REPORT – 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 21, 2020 120,000  
 WEEK AGO 120,000  
 YEAR AGO 115,000

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	CHOICE	SELECT
BOXED BEEF FINAL 9/21/2020	216.22	205.82
CHANGE FROM PRIOR DAY	0.58	1.88
CHOICE/SELECT SPREAD:		10.40
TOTAL LOAD COUNT		106
5 DAY SIMPLE AVERAGE:	215.87	205.18

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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

#### NOON SEPTEMBER 21, 2020

Primal Rib	359.44	340.08
Primal Chuck	172.32	167.79
Primal Round	170.04	168.68
Primal Loin	306.17	273.13
Primal Brisket	158.29	161.44
Primal Short Plate	136.94	136.94
Primal Flank	107.31	117.07



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

LOAD COUNT AND CUTOUT VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
09/18	84	21	28	13	147	215.64	203.94
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

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	69.79 loads	2,791,580 pounds
Select Cuts	17.39 loads	695,652 pounds
Trimming	6.95 loads	278,183 pounds
Ground Beef	11.53 loads	461,124 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)

USDA POSTED CATTLE PRICES ON 9/21/2020

IA/MN –CASH NO SALES DRESSED - 164.00 ON 39 HEAD  
NE - CASH – NO SALES DRESSED NO SALES  
KS – CASH – NO SALES DRESSED NO SALES  
TX/OK/NM – NO SALES  
CO – \*\*Information not available due to confidentiality\*\*



National Daily Direct Cattle SEPTEMBER 21, 2020  
(5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1478	\$103.55	39,129
Live Heifer:	1299	\$103.36	17,297
Dressed Steer:	951	\$163.62	17,344
Dressed Heifer:	854	\$163.26	6,382

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Technically, October is beginning to re-gain the spread on December and, it is usually positive. On Wednesday September 16, October cattle dropped to minus \$5.62 under December. Monday the close was \$3.90. Specs are also reversing Long October Hogs/Short cattle spreads. On September 11<sup>th</sup>, the spread settled with cattle just \$38.95 over hogs. Monday the spread settled at \$41.95 on the October. The December Cattle/Hog spread since September 11<sup>th</sup> has gained \$5.15.

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Packers are going to push as many cattle through the line as possible. Profit margins of \$375/head are too good to pass up. Consumers are buying high Choice to low Select and Canner cattle.

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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.

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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..

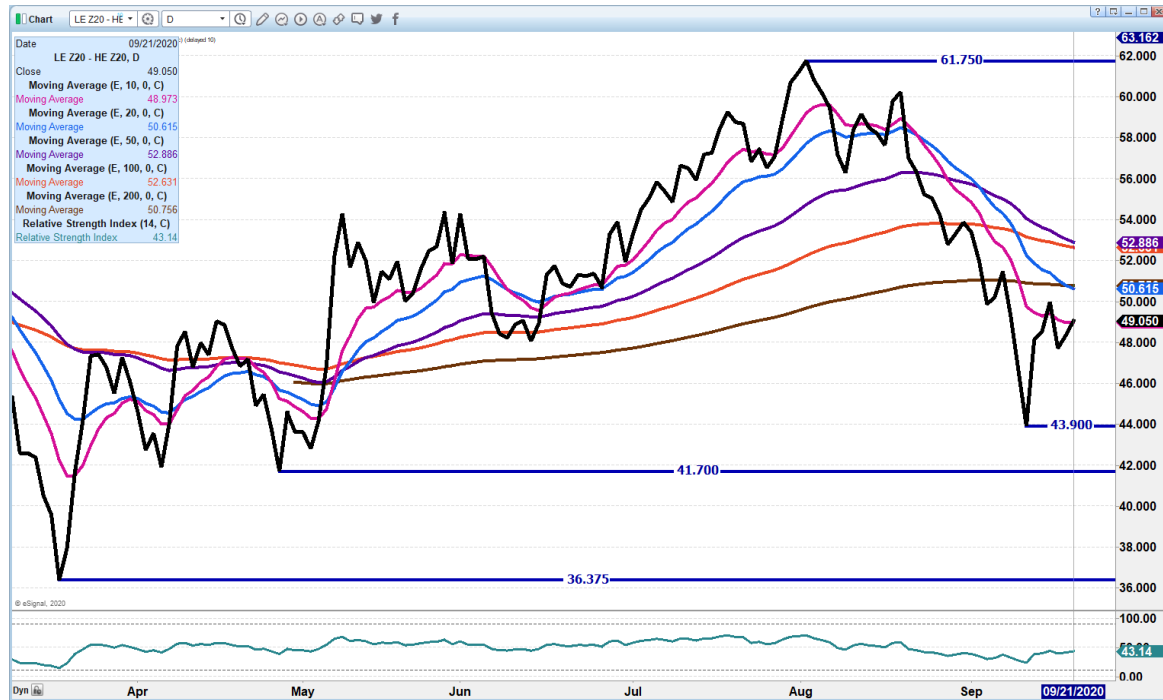


China has imported record soybeans from Brazil and over past 2 months kicked up buying soybean exports from the U.S. Hog prices have been dropping in China.

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 15<sup>TH</sup>, 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%.

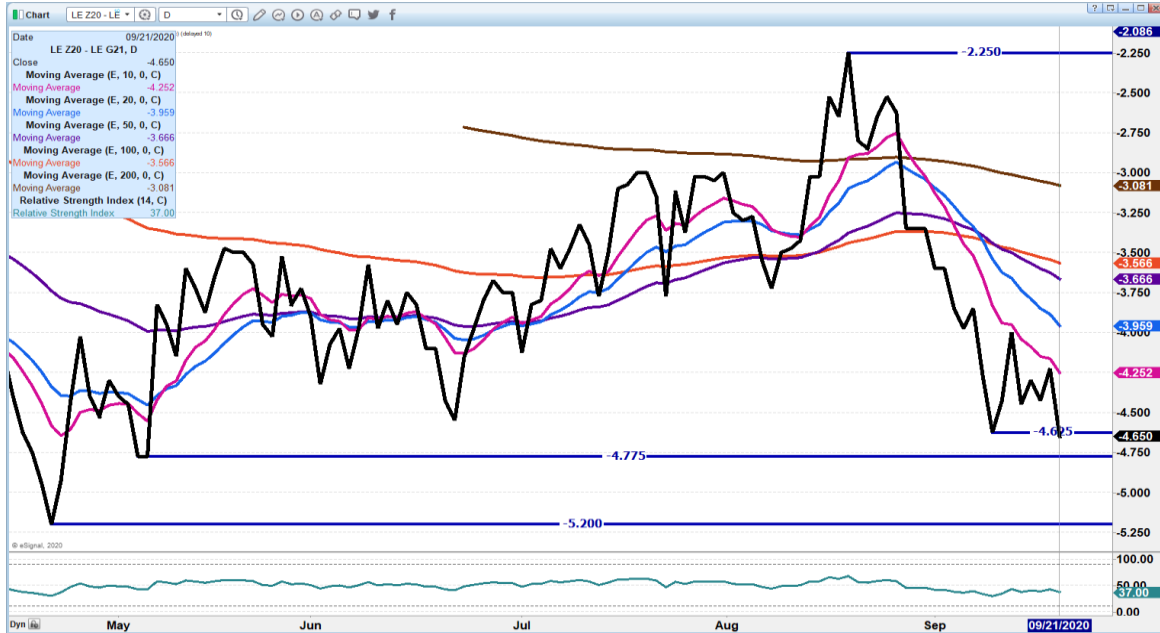
**DECEMBER 2020 LIVE CATTLE/DECEMBER 2020 LEAN HOG SPREAD - REVERSING SPREAD. SHOULD BE POSITIVE TO CATTLE**



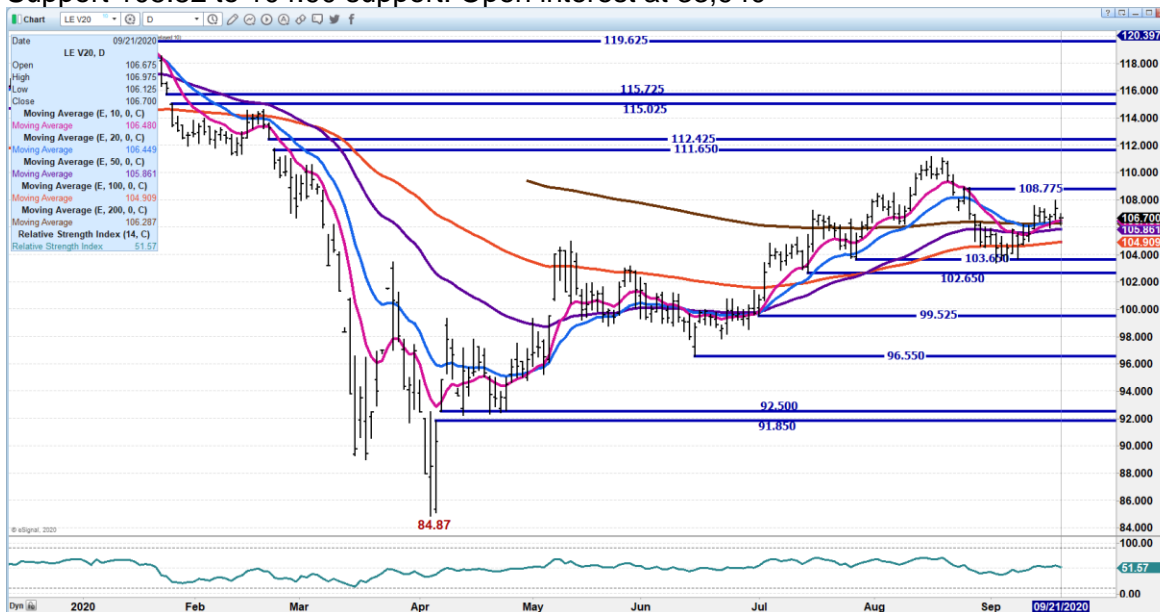




**DECEMBER 2020/DFEBRUARY 2020 LIVE CATTLE SPREAD - SPREAD WIDENED.**



**OCTOBER 2020 LIVE CATTLE – Remaining above all moving averages. 108.77 resistance. Support 105.82 to 104.90 support. Open interest at 33,940**



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**DECEMBER 2020 LIVE CATTLE – Fell to convergence of 50 and 200 day average , now support at 109.75 to 108.65 Resistance at 112.55 to 114.02. volume 27,809**



**FEBRUARY 2021 LIVE CATTLE – resistance at 116.55 to 118.57 support at 114.55 to 113.37. volume 10,869**





## Feeder Cattle

THE CME FEEDER INDEX ON 09/18/2020 WAS 141.98 DOWN 21 CENTS FROM PREVIOUS DAY

SEPTEMBER 2020 FEEDER CATTLE SETTLEMENT ON SEPTEMBER 21, 2020 WAS \$141.07

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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

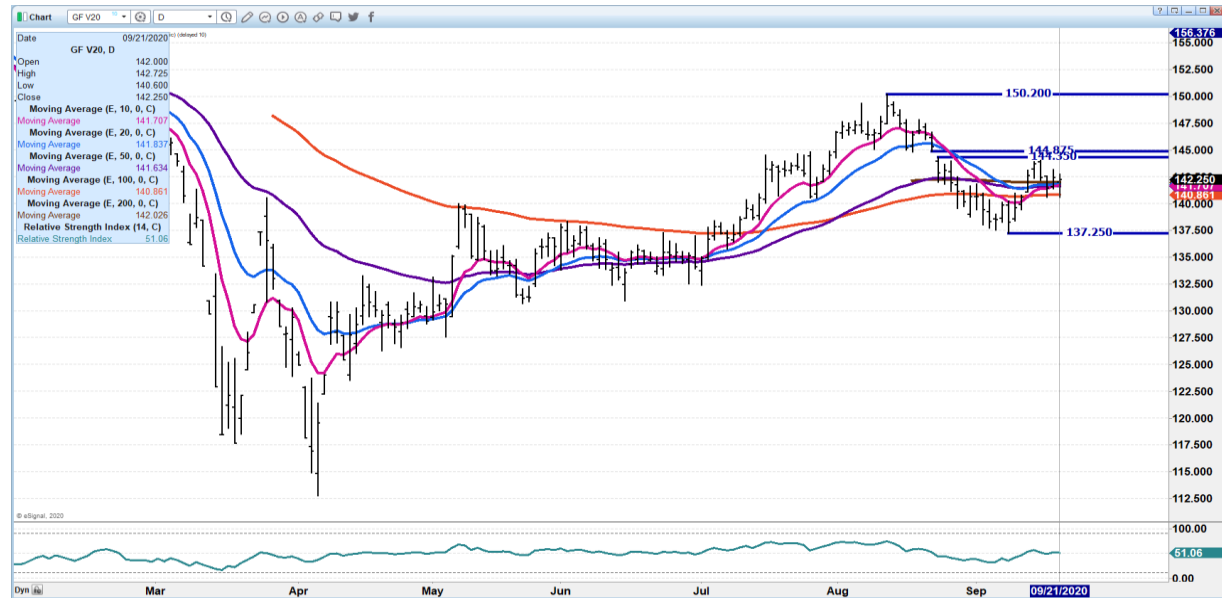
COMPARED TO LAST WEEK, COMING BACK AFTER LAST WEEK'S LABOR DAY HOLIDAY MANY MARKETS THIS WEEK ARE COMPARED TO TWO WEEKS AGO, ESPECIALLY SOME OF THE LARGE VOLUME MONDAY SALES AND EARLY WEEK SALES. ORDER BUYERS THIS WEEK FLEXED THEIR MUSCLES PURSUING THE LONG GREEN GRASS YEARLINGS OVER 750 LBS, MOSTLY 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)

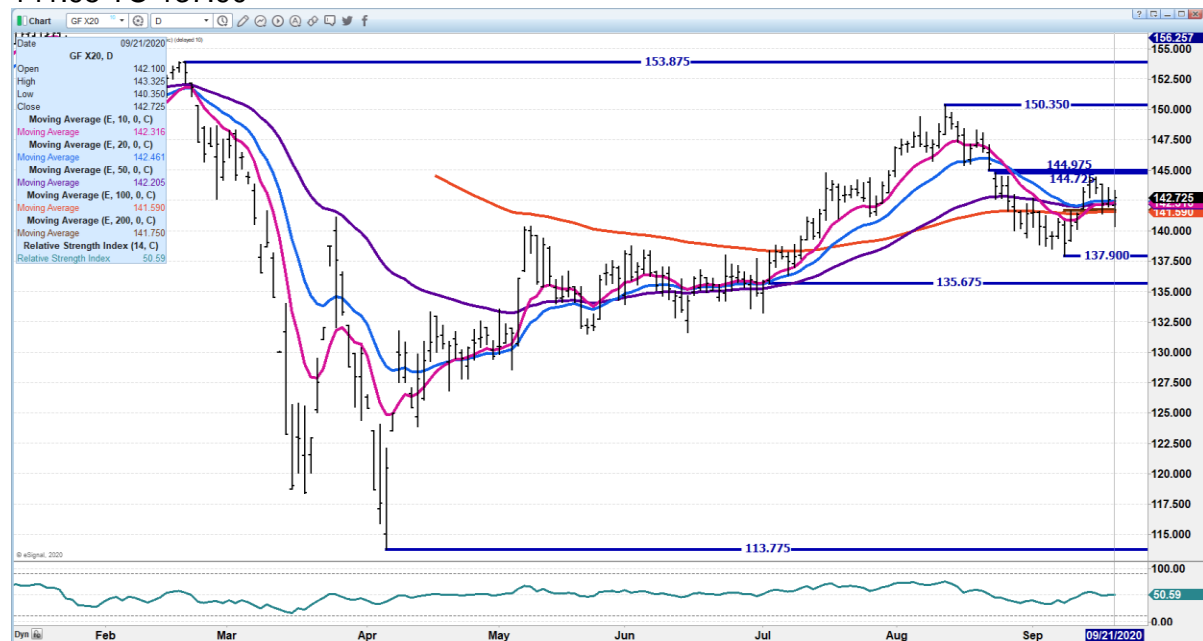
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**OCTOBER 2020 FEEDER CATTLE – RESISTANCE AT 144.35 TO 144.87 SUPPORT AT 140.85 TO 137.25**



**NOVEMBER 2020 FEEDER CATTLE - RESISTANCE AT 144.72 TO 144.97 SUPPORT AT 141.95 TO 137.90**



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## LEAN HOGS

### USDA ESTIMATED FEDERAL HOG SLAUGHTER – TUESDAY

SEPTEMBER 21, 2020	485,000
WEEK AGO	486,000
YEAR AGO	444,000

\*\*REVISED FRIDAY HOG SLAUGHTER..459,000\*\*\*\* PREVIOUS SLAUGHTER ESTIMATE 468,000

\*\*\*NEW SATURDAY WEEK TO DATE..2,578,000\*\*\*\* PREVIOUS SLAUGHTER ESTIMATE 2,587,000

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CME CASH HOG INDEX 09/17/2020 AT 69.58 UP 1.74 FROM PREVIOUS DAY -

CME CASH PORK CUTOUT INDEX 09/18/2020 AT 84.40 UP 1.36 FROM PREVIOUS DAY.

CME CASH FRESH BACON INDEX ON 09/18/2020 WAS 175.11 COMPARED TO 09/11/2020 WAS 163.42

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Lean Hog trading was light on Monday.

Hams up 14.35 and bellies up 6.98 pushed pork cutout higher early Monday. Loins were down 4.83. Large pork buyers that contracted when hams when lower are squeezing hand to mouth ham and belly buyers.

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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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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.



The CME Index is fairly in line with pork carcass now. Gain on October was only bull spread as other spreads continued the reverse of Monday.

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**SEPTEMBER 21, 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 21, 2020

LOADS OF PORK CUTS: 265.38

LOADS TRIM/PROCESSED PORK: 38.69

**FINAL 9/21/2020**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/21/2020	304.07	90.09	71.45	80.37	60.02	129.38	95.60	147.85
CHANGE :		2.56	-2.33	-0.54	-0.85	1.04	11.47	2.59
Five Day Average --		86.41	73.78	80.15	60.06	127.32	82.68	141.98

**NOON 9/21/2020**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/18/2020	160.81	90.62	68.95	79.08	58.98	129.01	98.48	152.24
CHANGE :		3.09	-4.83	-1.83	-1.89	0.67	14.35	6.98
Five Day Average --		86.52	73.28	79.90	59.85	127.25	83.26	142.86

**SETTLE ON FRIDAY 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

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**NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE  
SLAUGHTER DATA FOR SEPTEMBER 18 AND 19, 2020**

Average carcass weight - 281.18

Average live weight - 210.33

[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 21, 2020  
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**

Carcass Base Price: \$55.00 - \$64.75  
Weighted Average: \$61.12  
Change from Prior Day: 0.13 higher  
HOGS SOLD: 9,031

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

PRICE RANGE: \$55.10 - \$83.10  
Weighted Average: \$70.62  
Previous Day: \$70.45  
HOGS SOLD: 202,150

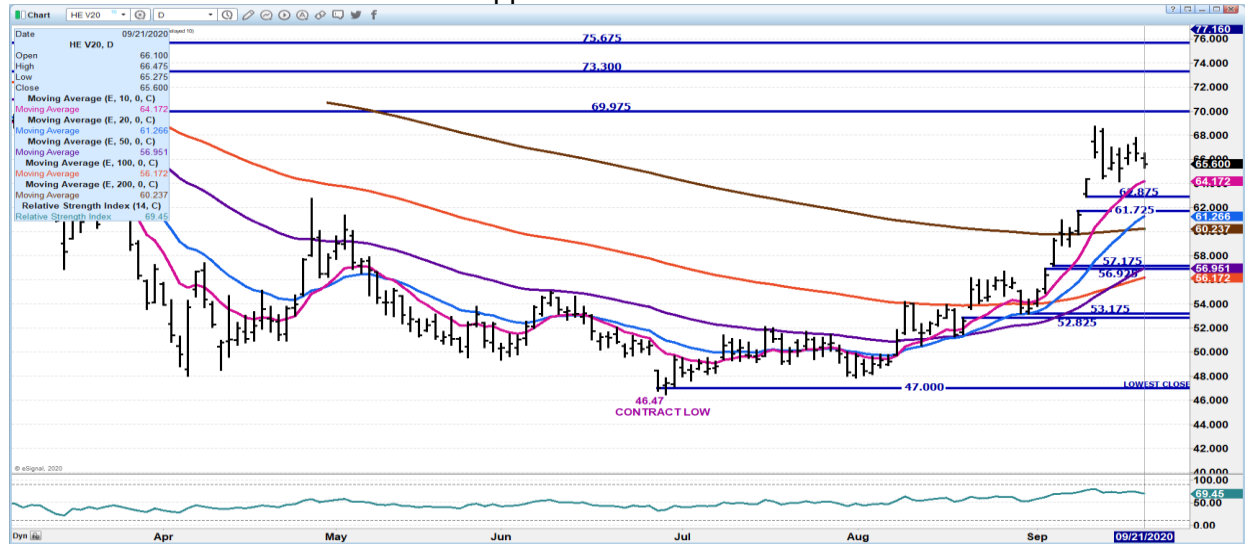
[https://www.ams.usda.gov/mnreports/lm\\_hq203.txt](https://www.ams.usda.gov/mnreports/lm_hq203.txt)

**DEC 2020 – FEBRUARY 2021 LEAN HOG SPREAD - Dec losing to Feb Spread is wide**





**OCTOBER 2020 LEAN HOGS - Support at 64.15 to 62.87 Resistance at 68.72**



**DECEMBER 2020 LEAN HOGS – Support at 59.97 Resistance at 66.82**



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