



## MORNING OCTOBER 2, 2020 LIVESTOCK REPORT

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### CATTLE

#### USDA FEDERAL SLAUGHTER

OCTOBER 1, 2020	120,000
WEEK AGO	121,000
YEAR AGO	117,000
WEEK TO DATE (EST)	478,000
SAME PERIOD LAST WEEK (EST)	482,000
SAME PERIOD LAST YEAR (ACT)	470,000

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	<b>CHOICE</b>	<b>SELECT</b>
BOXED BEEF FINAL	218.98	207.62
CHANGE FROM PRIOR DAY	1.24	0.08
CHOICE/SELECT SPREAD:		11.36
TOTAL LOAD COUNT		147
5 DAY SIMPLE AVERAGE:	217.89	207.14

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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 OCTOBER 1, 2020

Primal Rib	383.06	351.11
Primal Chuck	179.38	176.51
Primal Round	172.63	168.63
Primal Loin	296.03	269.86
Primal Brisket	158.13	153.22
Primal Short Plate	132.84	132.84
Primal Flank	103.01	97.89

#### FINAL SEPTEMBER 30, 2020

Primal Rib	380.15	349.51
Primal Chuck	178.75	176.05
Primal Round	170.29	168.33
Primal Loin	294.48	271.40
Primal Brisket	158.79	147.91
Primal Short Plate	135.50	135.50
Primal Flank	100.40	99.50



**LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS**

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
09/30	88	31	10	26	155	217.74	207.54
09/29	68	30	11	25	134	217.16	206.99
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

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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	88.80 loads	3,551,911 pounds
Select Cuts	31.68 loads	1,267,203 pounds
Trimming	7.36 loads	294,361 pounds
Ground Beef	19.63 loads	785,334 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)

**BEEF AND PORK EXPORTS FOR WEEK ENDING SEPTEMBER 24<sup>th</sup> ON LAST PAGE**

Exports were good on beef last week. If net sales of 24,7000 metric tonnes took place every week, it would be bullish.

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USDA POSTED CATTLE PRICES ON 10/01/2020

IA/MN –CASH 107.00 - 109.00 DRESSED - 167.00 - 168.00  
NE - CASH – 107.00 DRESSED 168.00  
KS – CASH 107.00 –DRESSED No Reportable Trade  
TX/OK/NM – 107.00  
CO – Information not available due to confidentiality

National Daily Direct Cattle October 1, 2020  
(5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1474	\$105.75	69,222
Live Heifer:	1309	\$105.76	34,340
Dressed Steer:	960	\$165.56	21,969



Dressed Heifer: 837 \$165.32 8,827

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**UK RESUMES BEEF EXPORTS TO U.S. AFTER 24 YEARS**

<https://foodinstitute.com/focus/uk-resumes-beef-exports-to-u-s-after-24-years/>

There are feedlots forward contracting now \$1.00 to \$2.00 under December through April 2021.

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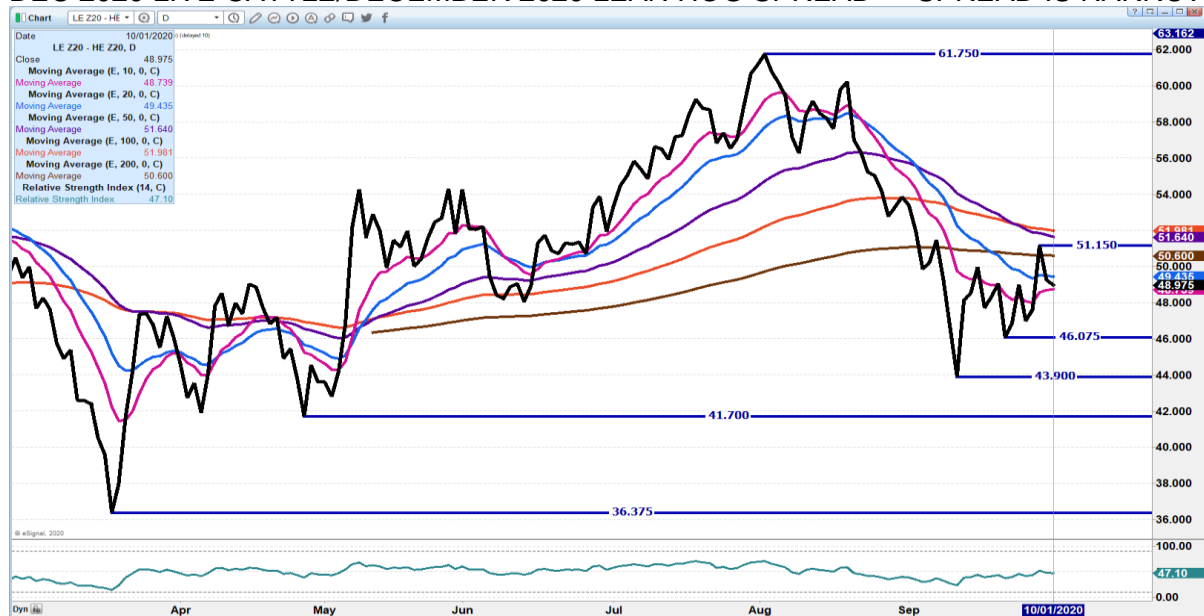
**ARGENTINA'S BEEF EXPORTS TO CHINA THIS YEAR SEEN AT PRE-PANDEMIC PACE**

<https://www.reuters.com/article/us-argentina-china-beef/argentinas-beef-exports-to-china-this-year-seen-at-pre-pandemic-pace-idUSKBN26L3UG>

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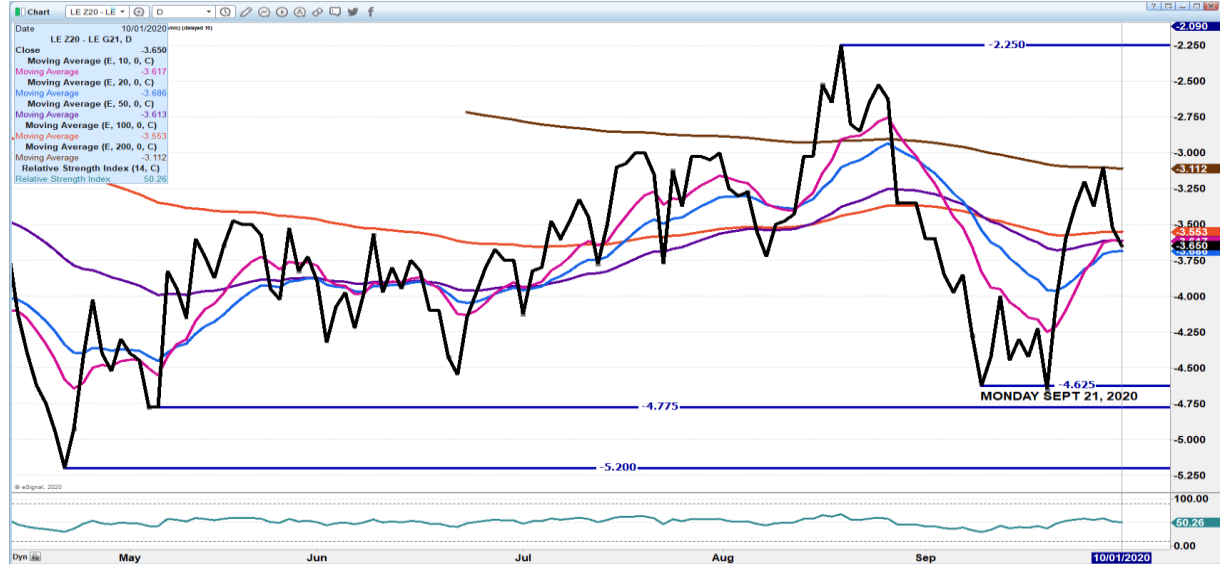
As of September 29<sup>th</sup>, dressed steer and heifer weights were 893.2 compared to previous week at 887.0 up 6.2 pounds from week ago and 19 pounds over a year ago. Grading percent was 81.3% compared to previous week at 82.2%.

**DEC 2020 LIVE CATTLE/DECEMBER 2020 LEAN HOG SPREAD - SPREAD IS NARROW.**

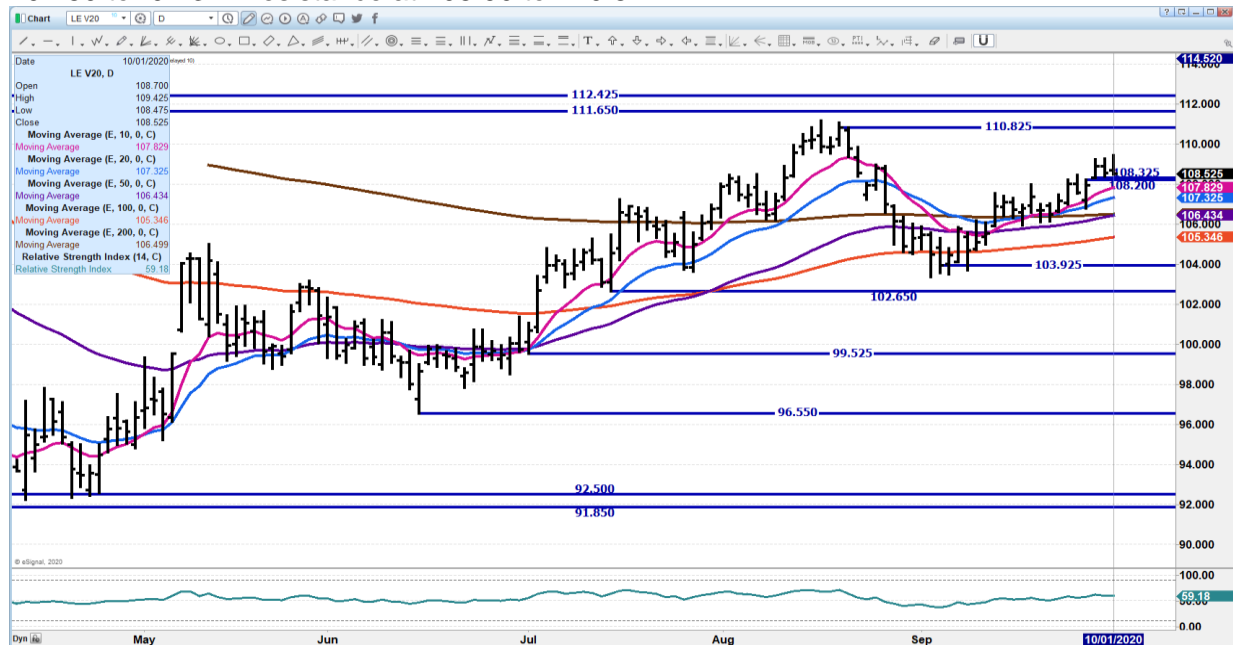




**DECEMBER 2020/FEBRUARY 2021 LIVE CATTLE SPREAD – WITHIN NORMAL RANGE. IF WIDENS UNDER MINUS 4.00 BEARISH. NARROWS OVER – 3.00 IT IS BULLISH**



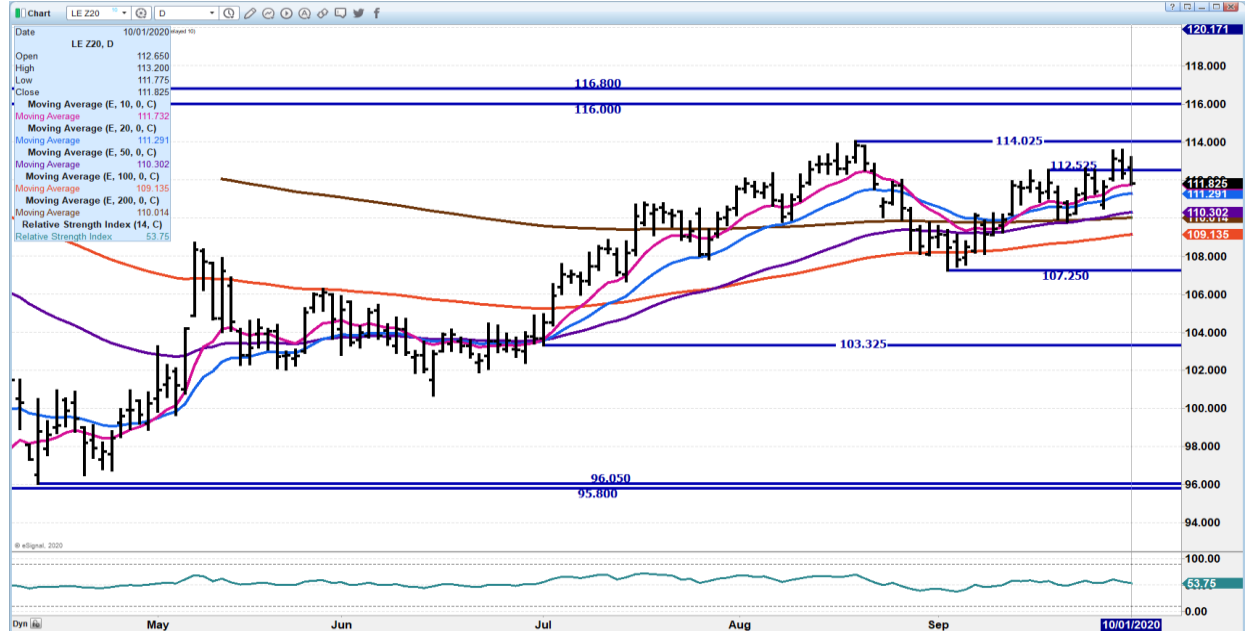
**OCTOBER 2020 LIVE CATTLE – Still couldn't close gap to 108.20 on Thursday. Support 107.80 to 107.32 Resistance at 108.90 to 110.82**



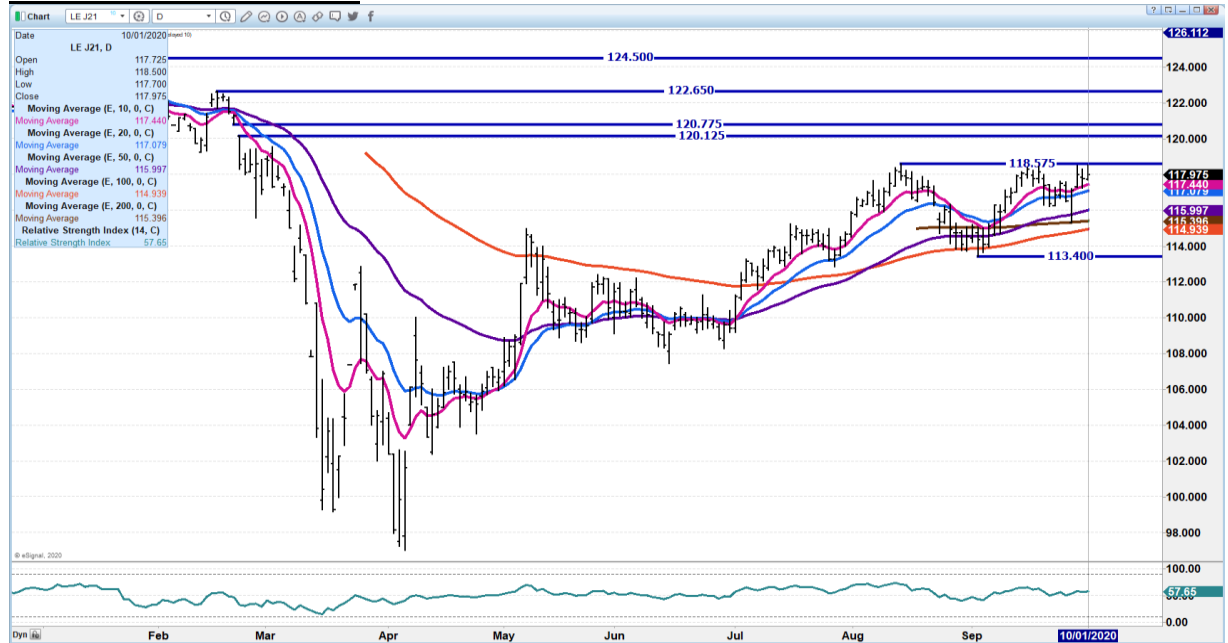




**DECEMBER 2020 LIVE CATTLE – Dropped to 10 day average first support. Next support at 111.27 Resistance at 113.12 to 114.02 Volume 22,940**



**APRIL 2021 LIVE CATTLE - 118.52 to 120.12 Resistance to 117.37 to 115.97**



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## Feeder Cattle

THE CME FEEDER INDEX ON 09/30/2020 WAS 142.38 DOWN 20 CENTS FROM PREVIOUS DAY

OCTOBER 2020 FEEDER CATTLE SETTLED ON OCTOBER 1, 2020 AT \$140.92

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FEEDER FUTURES IN A SIDWAYS TRADE. TRADE VOLUME IS SO LIGHT, IT DOESN'T TAKE MUCH TO MOVE FEEDER FUTURES. NOVEMBER IS THE MOST ACTIVELY TRADED CONTRACT AND OPEN INTEREST IS ONLY 18, 733 CONTRACTS. FEEDER CATTLE FUTURES NO LONGER REFLECT THE FEEDER CATTLE MARKET.

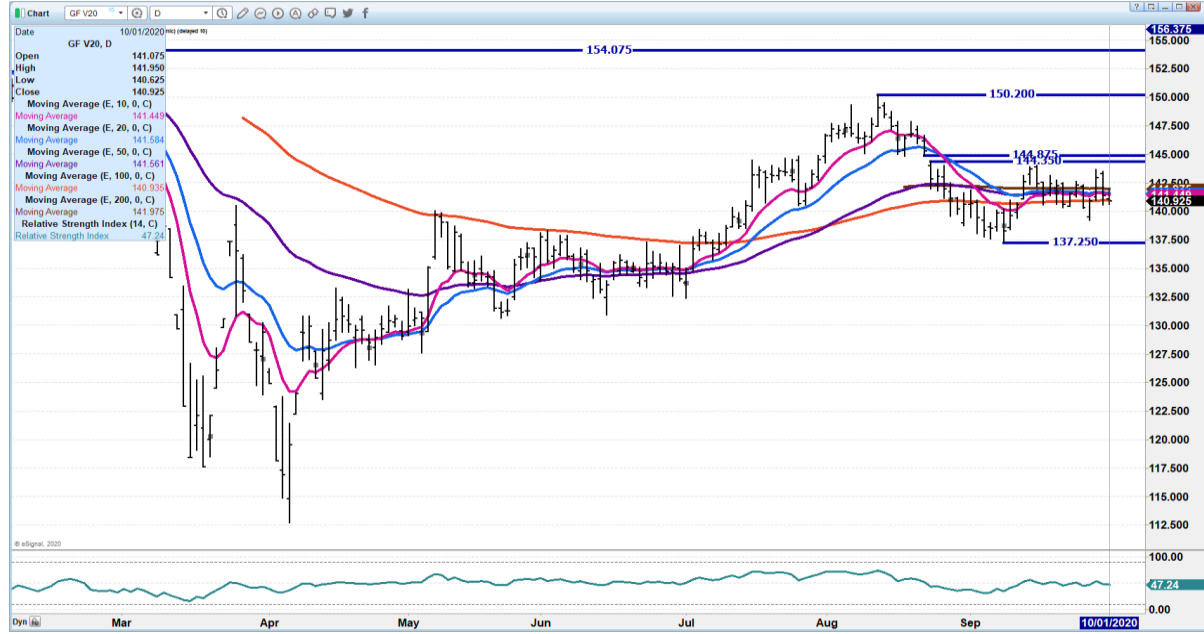
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### NOVEMBER 2020/JANUARY 2021 FEEDER CATTLE SPREAD. - BULL SPREAD

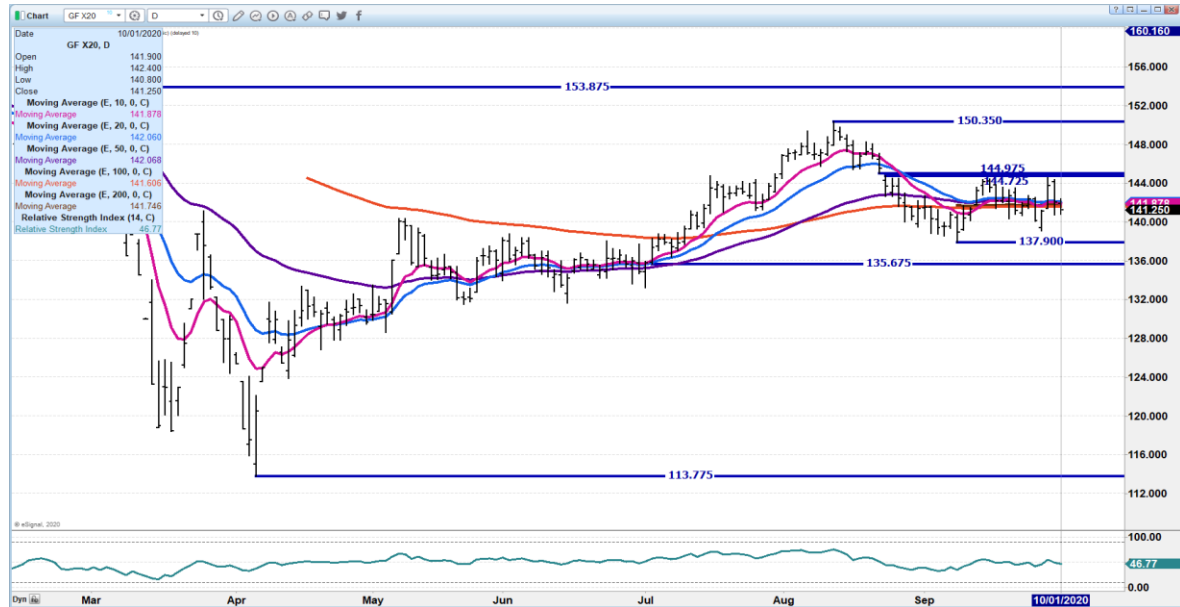




**OCTOBER 2020 FEEDER CATTLE – GOING NOWHERE. NEEDS TO CLOSE ABOVE 143.00 TO BREAKOUT TO GO TO GAP AT 144.35**



**NOVEMBER 2020 FEEDER CATTLE - 137.90 SUPPORT RESISTANCE AT 144.97**



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## LEAN HOGS

### USDA ESTIMATED FEDERAL HOG SLAUGHTER – TUESDAY

OCTOBER 1, 2020	485,000
WEEK AGO	469,000
YEAR AGO	487,000
WEEK TO DATE (EST)	1,926,000
SAME PERIOD LAST WEEK (EST)	1,919,000
SAME PERIOD LAST YEAR (ACT)	1,948,000

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CME CASH HOG INDEX 09/29/2020 AT 76.54 UP 63 CENTS FROM PREVIOUS DAY -

CME CASH PORK CUTOUT INDEX 09/30/2020 AT 91.94 UP .42 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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Hog weights have been creeping up. It shows packers aren't pulling hogs forward. It appears packers are buying just the amount they need to support prices higher hand to mouth pork prices specifically hams and bellies.

It has been the ham and belly market that has moved prices higher. Packers and wholesalers have an easy time selling bellies and hams but buying too many hogs, they will put loins and other primals on the market with far less demand and tip the balance between profitable margins to negative margins. With Mexico likely the largest buyer of hams and bellies as past history shows, larger hogs won't hurt exports. Fresh bellies and hams are deboned and sold as highly desirable trimmed out product. With cheap US Dollar, pork exports remain a good buy. Mexico was the largest buyer last week and they are the most consistent buyer year after year.

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CHINA'S PIG HERD REBOUNDS AFTER SWINE FEVER, BUT PORK SUPPLY WILL TAKE TIME TO RECOVER

[HTTPS://WWW.REUTERS.COM/ARTICLE/CHINA-SWINEFEVER-PIGS/CHINAS-PIG-HERD-REBOUNDS-AFTER-SWINE-FEVER-BUT-PORK-SUPPLY-WILL-TAKE-TIME-TO-RECOVER-IDINL4N2FC2RL](https://www.reuters.com/article/china-swinefever-pigs/chinas-pig-herd-rebounds-after-swine-fever-but-pork-supply-will-take-time-to-recover-idinl4n2fc2rl)





## OCTOBER 1, 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

OCTOBER 1, 2020

LOADS OF PORK CUTS: 283.86

LOADS TRIM/PROCESSED PORK: 43.71

#### FINAL 10/01/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
10/01/2020	327.58	95.65	82.21	90.95	65.71	138.72	93.34	153.76
CHANGE :		4.28	0.62	0.63	-2.15	-1.61	9.88	8.82
Five Day Average --		92.70	80.65	88.80	65.24	138.06	87.48	150.02

#### FINAL 9/30/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
09/30/2020	310.05	91.37	81.59	90.32	67.86	140.33	83.46	144.94
CHANGE :		-0.38	1.22	1.52	2.69	1.08	-1.57	-2.67
Five Day Average --		91.97	79.69	87.25	64.74	137.06	86.79	149.69

#### 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

### NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE SLAUGHTER DATA FOR SEPTEMBER 30, 2020

Average carcass weight - 282.24

Average live weight - 210.97

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

#### DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM October 1, 2020

#### NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES

Carcass Base Price: \$58.00 - \$68.50

Weighted Average: \$64.47

Change from Prior Day: 0.23 lower

HOGS SOLD: 7,891

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

PRICE RANGE: \$62.93 - \$87.25



Weighted Average: \$75.23  
 Previous Day: \$75.24  
 HOGS SOLD: 148,593

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

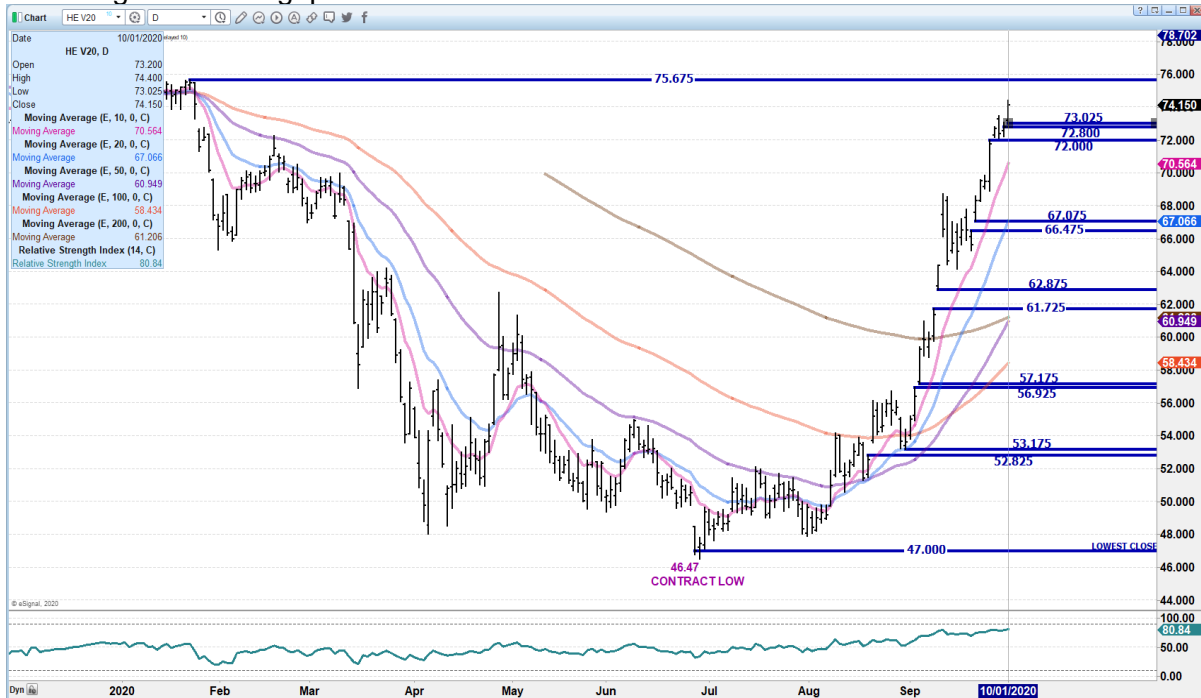
OCTOBER 2020/DECEMBER 2020 LEAN HOG SPREAD – THIS IS CRAZY WIDE. BUT WHEN SPREADS GET OUT OF WHACK THEY CAN STAY OUT OF WHACK GETTING OVERSOLD



DEC 2020/ FEB 2021 SPREAD – OPPOSITE OF OCT/DEC A BIT WIDE. COULD BE REASON FOR DEC RALLY AT SOMETIME



**OCTOBER 2020 LEAN HOGS – 75.67 resistance and not far from CME Index Getting overbought Several gaps below**



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**DECEMBER 2020 LEAN HOGS –** Volume is very light 14,078 contracts Thursday. RSI neutral at 56 – when spreaders drop short side of spreads, dec could have a good move to upside



**Beef:** Net sales of 24,700 MT reported for 2020 were up 37 percent from the previous week and 67 percent from the prior 4-week average. Increases were primarily for Japan (9,900 MT, including decreases of 600 MT), South Korea (5,700 MT, including decreases of 400 MT), China (4,300 MT), Hong Kong (2,000 MT, including decreases of 100 MT), and Mexico (800 MT, including decreases of 100 MT). For 2021, net sales of 1,300 MT were primarily for Hong Kong (500 MT) and South Korea (500 MT). Exports of 16,600 MT were down 5 percent from the previous week, but up 2 percent from the prior 4-week average. The destinations were primarily to South Korea (4,500 MT), Japan (4,000 MT), China (1,700 MT), Hong Kong (1,500 MT), and Taiwan (1,400 MT).

**Pork:** Net sales of 39,500 MT reported for 2020 were up 5 percent from the previous week, but down 8 percent from the prior 4-week average. Increases were primarily for Mexico (17,900 MT, including decreases of 1,000 MT), China (6,500 MT, including decreases of 1,100 MT), Canada (4,400 MT, including decreases of 400 MT), South Korea (4,000 MT, including decreases of 600 MT), and Japan (2,800 MT, including decreases of 100 MT). For 2021, net sales of 1,300 MT were for Chile (1,100 MT) and Australia (200 MT). Exports of 32,600 MT were down 9 percent from the previous week, but unchanged from the prior 4-week average.





The destinations were primarily to Mexico (10,500 MT), China (9,500 MT), Japan (4,400 MT), Canada (2,400 MT), and South Korea (1,800 MT).

*CHARTS FROM ESIGNAL INTERACTIVE, INC.*

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