



MORNING October 29, 2020 Livestock Report

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

OCTOBER 28, 2020	118,000
WEEK AGO	121,000
YEAR AGO	118,000
WEEK TO DATE (EST)	350,000
SAME PERIOD LAST WEEK (EST)	360,000
SAME PERIOD LAST YEAR (ACT)	347,000

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	CHOICE	SELECT
BOXED BEEF FINAL	205.79	189.58
CHANGE FROM PRIOR DAY	(0.91)	0.91
CHOICE/SELECT SPREAD:		16.21
TOTAL LOAD COUNT		173
5 DAY SIMPLE AVERAGE:	207.87	190.11

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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 28, 2020

Primal Rib	381.88	326.77
Primal Chuck	162.43	157.60
Primal Round	167.52	167.70
Primal Loin	271.32	232.81
Primal Brisket	147.16	139.91
Primal Short Plate	120.28	120.28
Primal Flank	97.00	97.21

FINAL OCTOBER 27, 2020

Primal Rib	379.13	313.16
Primal Chuck	164.82	156.35
Primal Round	167.39	167.95
Primal Loin	273.52	237.21
Primal Brisket	147.93	138.68
Primal Short Plate	121.38	121.38
Primal Flank	95.89	97.32



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LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
10/27	105	26	17	28	175	206.70	188.67
10/26	61	44	19	11	135	207.83	188.49
10/23	84	11	35	18	148	207.49	191.40
10/22	91	36	19	15	160	208.86	191.08
10/21	104	34	31	38	207	208.47	190.91

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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	99.48 loads	3,979,070 pounds
Select Cuts	25.40 loads	1,015,965 pounds
Trimblings	20.85 loads	834,064 pounds
Ground Beef	26.91 loads	1,076,288 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)

Friday, October 30, 2020 is the last trading day for October Live Cattle

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DELIVERY NOTICE SERVED – OCTOBER 2020 - LIVE CATTLE

SETTLEMENT: OCTOBER 28, 2020 - \$105.85

OLDEST LONG: 02/28/20 SETTLEMENT AT \$107.52

0 DELIVERIES

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USDA POSTED CATTLE PRICES ON 10/28/2020

IA/MN – 101.00 WITH 181 HEAD AVERAGE 1585 POUNDS - DRESSED No Reportable Trade

NE - CASH – 103.00 AVERAGE 1555 POUNDS. DRESSED 158.00 - 160.00 AVERAGE 1077.2 POUNDS

KS – CASH 106.25 DRESSED No Reportable Trade. AVERAGE 1585 POUNDS

TX/OK/NM – 105.50 - 106.25 WEIGHING 1,235.9 - 1,450.0

CO – Information not available due to confidentiality



*****National Daily Direct Cattle October 28, 2020
(5 day accumulated weighted avg)**

	Weight	Price	Head
Live Steer:	1508	\$104.17	16,299
Live Heifer:	1318	\$104.54	4,136
Dressed Steer:	978	\$163.54	8,157
Dressed Heifer:	877	\$163.68	2,009

Red denotes higher average weights

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With large loads of trimmings and ground beef being moved and increasing COVID 19 cases in the US and globally, if it trend continues or increases, it may be an indicator consumers are hoarding as they did in March. There are cities in France and Germany where certificates are needed to leave the house and areas in Asia that have regional lockdowns. Cities across the US are seeing surges and consumers although not locked down are beginning to withdraw on their own. Yesterday, a woman at the grocery store, a complete stranger to me, while standing at the checkout line said, I don't want to be here. Grocery stores are last place I want to be.

It is likely there could be another time that consumers hoard and hoarding in March wasn't for high end meats, it was for cheaper cuts. Beef prices surged and cattle prices went down a month before people in packing and processing plants had COVID hit.

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The Fed Cattle Exchange had one of the biggest sales since last spring. The sale began at 12:00PM , two hours late due to technical problems. Asking prices stated at \$105.00 to \$106.00 and prices paid were from \$105.50 to \$106.50.

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Heavy weight cattle are one of the biggest problems now. Lighter cattle are in the South and Southwest with feedlots asking \$108.00. Midwest cattle could again this week be priced under South and Southwestern cattle.

Feedlots are not risking being able to forward contract cattle at positive margins this year for deliveries December 2020 into 2021. Packer forward contracts are now \$1.00 over the CME Live Cattle futures December 2020 through April 2021 and May and June contracts are \$4.00 over June 2021.

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Tyson Foods workers to replace some federal inspectors at U.S. beef plant
<https://www.reuters.com/article/us-tyson-foods-beef-inspections/tyson-foods-workers-to-replace-some-federal-inspectors-at-u-s-beef-plant-idUSKBN27C350>



As of October 27th, dressed steer and heifer weights were 900.3 compared to previous week at 901.0 down .7 pound from week ago and 28 pounds over a year ago. Grading percent was 81.0%, down compared to previous week at 81.7%.

TECHNICAL PROBLEMS WITH COPYING CHARTS

**DECEMBER 2020/FEBRUARY 2021 LIVE CATTLE SPREAD - SPREAD AT MINUS 3..05
NORMAL RANGE. NEED TO MONITOR FOR NEXT MOVE**

**OCTOBER 2020 LIVE CATTLE –Open Interest Wednesday at 738 Open interest Thursday
347 Resistance at 106.77 Support at 105.15**

**DECEMBER 2020 LIVE CATTLE - Resistance at 105.47 to 107.30 Support at 103.32
Volume 23,471**

FEBRUARY 2021 LIVE CATTLE – Resistance 108.52 to 110.37 Support at 106.15 to 104.82

APRIL 2021 LIVE CATTLE – Resistance 111.67 to 112.92 Support 108.85

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Feeder Cattle

THE CME FEEDER INDEX ON 10/27/2020 WAS 133.32 DOWN .322 FROM PREVIOUS DAY

OCTOBER 2020 FEEDER CATTLE SETTLED ON OCTOBER 28, 2020 AT \$135.17

Nine months to a year from now, feeders cattle could see a significant drop in numbers, and this is on top of the liquidation that took place last spring that will begin show fewer feeders in feedlots by December 2020 and January 2021. The Southwestern states up to the US/ Canadian border and the western states have had extreme drought conditions. Cow herds have been cutback to completely sold with vast majority going to slaughter.

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TECHNICAL PROBLEMS WITH COPYING CHARTS

JANUARY 2021/MARCH 2021 FEEDER CATTLE SPREAD – SPREAD IS NARROW.



NOVEMBER 2020 FEEDER CATTLE - CLOSED ABOVE 10 DAY MOVING AVERAGE. REISTANCE AT 134.50 TO 137.47 SUPPORT AT 132.62 TO 127.90

JANUARY 2021 FEEDER CATTLE – Resistance 131.17 at 134.15 Support at 128.90 to 124.25

LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

OCTOBER 28, 2020	492,000	
WEEK AGO	492,000	
YEAR AGO	476,000	
WEEK TO DATE (EST)		1,471,000
SAME PERIOD LAST WEEK (EST)		1,457,000
SAME PERIOD LAST YEAR (ACT)		1,459,000

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CME CASH HOG INDEX 10/26/2020 AT 77.47 DOWN 70 CENTS FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 10/27/2020 AT 93.81 DOWN 2.01 FROM PREVIOUS DAY.

CME CASH FRESH BACON INDEX ON 10/23/2020 WAS 222.45 COMPARED TO 10/16/2020 WAS 214.50

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Trade volume picked up in the afternoon and cutout was down 4.31 Now, all primal cuts are below 5 day moving average. Hog weights remain high. Seem to be plenty of hogs

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Trade wasn't too excited about trade deal with Viet Nam. Shucked off the positive news and traded lower Wednesday.

U.S., VIETNAM SIGN \$500 MILLION DEAL TO FORM 'PORK CONSORTIUM'
<https://www.reuters.com/article/us-usa-asia-vietnam-pork/vietnam-buyers-sign-deal-to-purchase-500-million-of-us-pork-idUSKBN27D0XJ>

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Pork Cutout Futures and Options Fact Card
<https://www.cmegroup.com/education/articles-and-reports/pork-cutout-futures-and-options-fact-card.html>



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 28, 2020

LOADS OF PORK CUTS: 395.94

LOADS TRIM/PROCESSED PORK: 41.47

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
10/28/2020	437.41	84.52	77.30	74.99	60.71	135.76	83.54	121.58
CHANGE :		-4.31	-0.59	-7.76	0.30	-10.76	3.13	-22.31
Five Day Average --		91.46	80.19	80.11	61.20	142.94	87.36	148.26

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
10/27/2020	444.39	88.83	77.89	82.75	60.41	146.52	80.41	143.89
CHANGE :		-3.03	-0.98	0.70	-2.69	3.43	-10.86	-0.26
Five Day Average --		94.19	81.35	81.65	61.30	144.71	89.71	157.99

FINAL PREVIOUS WEEK'S CLOSE

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
10/23/2020	345.34	93.25	83.81	81.37	61.27	143.36	84.43	157.32

NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

SLAUGHTER DATA FOR OCTOBER 27, 2020

Average live weight - 284.81

Average carcass weight - 212.13

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DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM October 28, 2020

NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES

Carcass Base Price: \$58.00 - \$64.00

Weighted Average: \$61.76

Change from Prior Day: .80 lower

HOGS SOLD: 6,960

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)

PRICE RANGE: \$59.62 - \$85.83

Weighted Average: \$74.11

Previous Day: \$75.20

HOGS SOLD: 152,443



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

FEBRUARY 2021/DECEMBER 2020 LEAN HOG SPREAD - NARROWED ON WEDNESDAY.

DECEMBER 2020 LEAN HOGS – NOW BELOW 10 AND 20 DAY MOVING AVERAGES RESISTANCE AT 67.87 TO 70.05 SUPPORT 64.70 TO 63.25

FEBRUARY 2021 LEAN HOGS – SUPPORT AT 65.75 TO 65.15 RESISTANCE 68.12

APRIL 2021 LEAN HOGS – BELOW ALL MOVING AVERAGES SUPPORT 68.75 TO 66.07 RESISTANCE AT 69.50 TO 70.75

Beef: Net sales of 18,900 MT reported for 2020 were down 13 percent from the previous week and 6 percent from the prior 4-week average. Increases primarily for China (4,300 MT), Japan (4,200 MT, including decreases of 200 MT), South Korea (4,200 MT, including decreases of 1,500 MT), Mexico (2,200 MT), and Taiwan (1,400 MT, including decreases of 100 MT), were offset by reductions primarily for Colombia (100 MT) and Chile (100 MT). For 2021, net sales of 4,600 MT were primarily for Japan (2,700 MT), South Korea (1,100 MT), Hong Kong (500 MT), and Guatemala (200 MT). Exports of 16,900 MT were down 5 percent from the previous week, but unchanged from the prior 4-week average. The destinations were primarily to Japan (4,300 MT), South Korea (3,700 MT), Mexico (1,900 MT), Hong Kong (1,700 MT), and China (1,600 MT).

Pork: Net sales of 29,000 MT reported for 2020 were up 8 percent from the previous week, but down 24 percent from the prior 4-week average. Increases were primarily for Mexico (8,400 MT, including decreases of 1,500 MT), Japan (6,400 MT, including decreases of 200 MT), South Korea (2,900 MT, including decreases of 400 MT), China (2,500 MT, including decreases of 600 MT), and Australia (2,200 MT). For 2021, net sales of 7,000 MT were primarily for Australia (5,500 MT) and China (1,300 MT). Exports of 37,100 MT were up 2 percent from the previous week and 5 percent from the prior 4-week average. The destinations were primarily to China (12,900 MT), Mexico (11,000 MT), Japan (4,500 MT), Canada (2,400 MT), and South Korea (2,100 MT).

CHARTS FROM ESIGNAL INTERACTIVE, INC.

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