



Morning OCTOBER 5, 2020 LIVETOCK REPORT

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CATTLE

USDA FEDERAL SLAUGHTER

OCTOBER 2, 2020	117,000
WEEK AGO	1121,000
YEAR AGO	110,000
SATURDAY 10/03/2020	70,000 - A WEEK AGO 57,000, YEAR AGO 65,000
WEEK TO DATE (EST)	665,000
SAME PERIOD LAST WEEK (EST)	651,000
SAME PERIOD LAST YEAR (ACT)	645,000
2020 YEAR TO DATE	24,173,000
*YEAR TO DATE	25,216,000
Percent change year to date	-4.1% Previous week -4.3%

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	CHOICE	SELECT
BOXED BEEF NOON	218.88	207.61
CHANGE FROM PRIOR DAY	(0.10)	(0.01)
CHOICE/SELECT SPREAD:		11.27
TOTAL LOAD COUNT		121
5 DAY SIMPLE AVERAGE:	218.19	207.11

PREVIOUS WEEK 09/28/2020

BOXED BEEF FINAL	219.34	206.98
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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	383.65	352.70
Primal Chuck	179.39	175.03
Primal Round	172.71	170.14
Primal Loin	294.99	269.07
Primal Brisket	157.73	153.44
Primal Short Plate	133.30	133.30
Primal Flank	103.81	99.12



PREVIOUS WEEK

FINAL SEPTEMBER 28, 2020

	CHOICE	SELECT
Primal Rib	374.19	344.51
Primal Chuck	179.63	172.15
Primal Round	172.13	170.49
Primal Loin	300.61	271.84
Primal Brisket	159.02	154.10
Primal Short Plate	139.44	139.44
Primal Flank	100.64	99.73

LOAD COUNT AND CUTOUT VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
10/01	89	32	7	20	147	218.98	207.62
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

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	62.82 loads	2,512,905 pounds
Select Cuts	16.37 loads	654,686 pounds
Trimmings	9.27 loads	370,907 pounds
Ground Beef	32.64 loads	1,305,442 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)

Monday, October 5th is First Notice Day for October Live Cattle. Any LONG positions at the close of business Monday will be at risk of delivery.

USDA POSTED CATTLE PRICES ON 10/03/2020

IA/MN –CASH 107.00 - 109.00 DRESSED - 168.00/168.00
NE - CASH – 107.00- 108.00 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 3, 2020
(5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1482	\$106.94	50,066
Live Heifer:	1328	\$106.94	26,323
Dressed Steer:	956	\$167.30	20,171
Dressed Heifer:	859	\$166.90	7,197

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With delivery possible tonight and cash markets essentially at October futures, feedlots that held off cattle on showlist last week should and likely will have them on this weeks list adding more cash cattle for packers to buy. Packers will also have their own cattle and forwarded contracted cattle they can put on the kill. Feedlots will ask \$110 but whether they get it with extra available cattle will depend on what the boxed beef market does through the week.

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BREAKDOWN OF COUNTRIES FOR BRAZILIAN BEEF EXPORTS

- Brazilian Beef Exports
 CHINA 40.93%
 HONG KONG 15.93%
 EGYPT 8.44%
 CHILE 5.56%
 USA 3.7%)

USDA estimates in 2020 Brazil beef exports will be 24% of all global exports. In 2021 Brazil's exports expected to grow another 8% to 2.5 million metric tonnes.

US total beef exports for 2019, according to US Beef Export Federation, were 1.32 million metric tonnes
 US total beef exports January through July 2020 were 698,907 metric tonnes down 9% during same period compared to 2019

From January through August 2020, Brazil exported 530,000 metric tonnes of beef to China, up 145% compared to same period in 2019. The US from January through July has exported 9,262 metric tonnes to China and China and Hong Kong combined 45,175 metric tonnes. (US export data runs a month behind exports released from Brazil but one month won't show US catching up to Brazil of the difference to China/Hong Kong by 91.5% percent.)



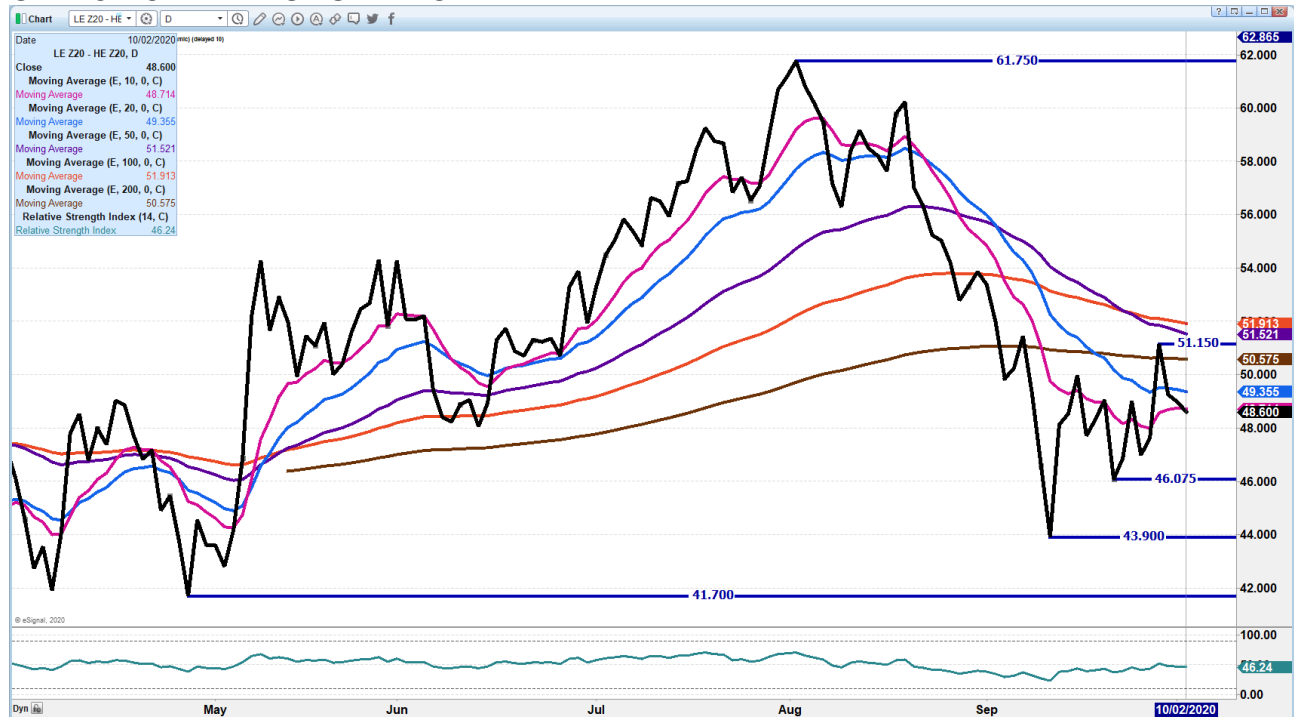
Starting in February 2020, Brazil has shipped 10,000 metric tonnes of beef to the US. 738 metric tonnes than US exported for 6 months to Mainland China.

Currently, the USDA estimates 10% of Brazil's cattle are fed in feedlots. By 2025, it is expected to be more than 20%.

Brazil is changing genetics and in 2020 has imported 35% more Angus semen from US compared to 2019.

As of September 29th, 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%.

DECEMBER 2020 LIVE CATTLE/DECEMBER 2020 LEAN HOG SPREAD - CATTLE SHOULD GAIN ON CATTLE BUT STRENGTH

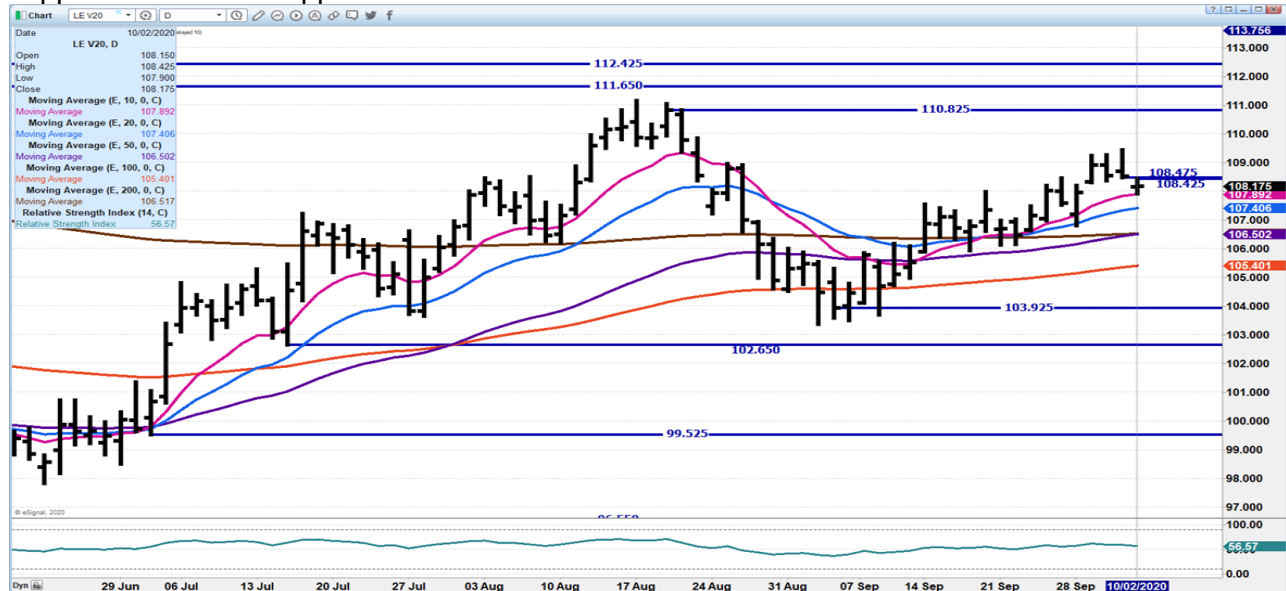




DEC 2020/FEBRUARY 2021 LIVE CATTLE SPREAD – SPREAD FAIRLY NORMAL AT THIS POINT BUT WITH FEB \$8 PLUS OVER CASH, FEB COULD BEGIN TO FALL ON DEC



OCTOBER 2020 LIVE CATTLE – Gapped lower but fell to 10 day average Friday and should support down. Next support 107.40 Resistance at 110.00 to 110.82

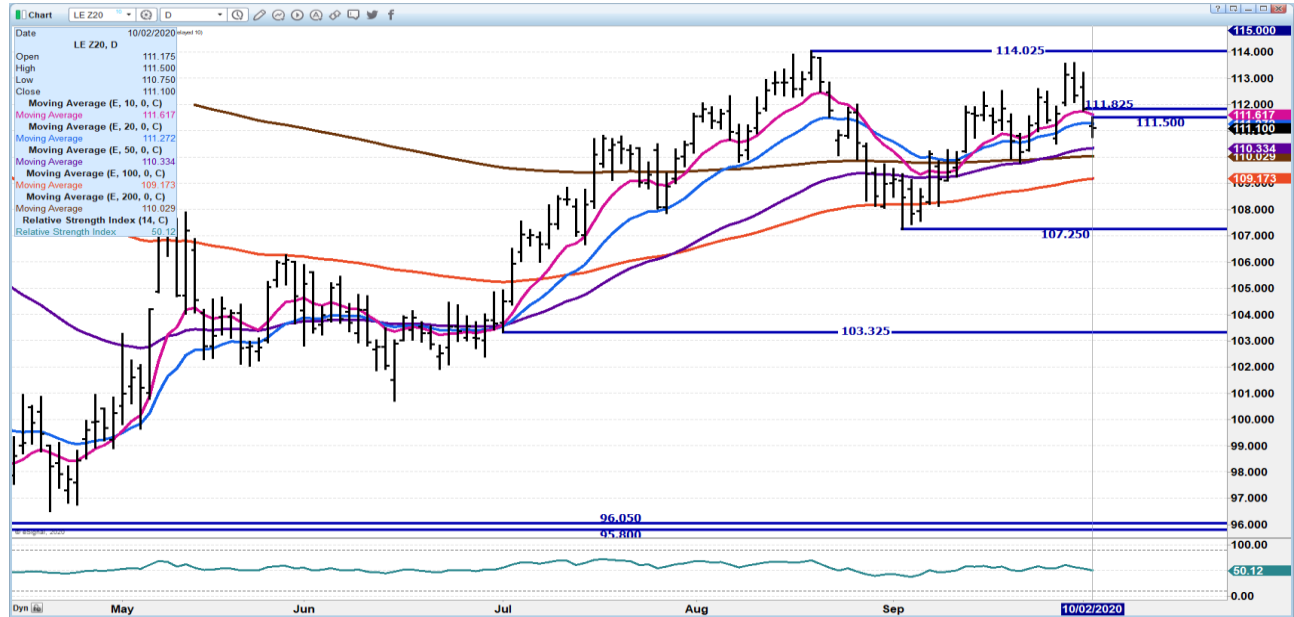


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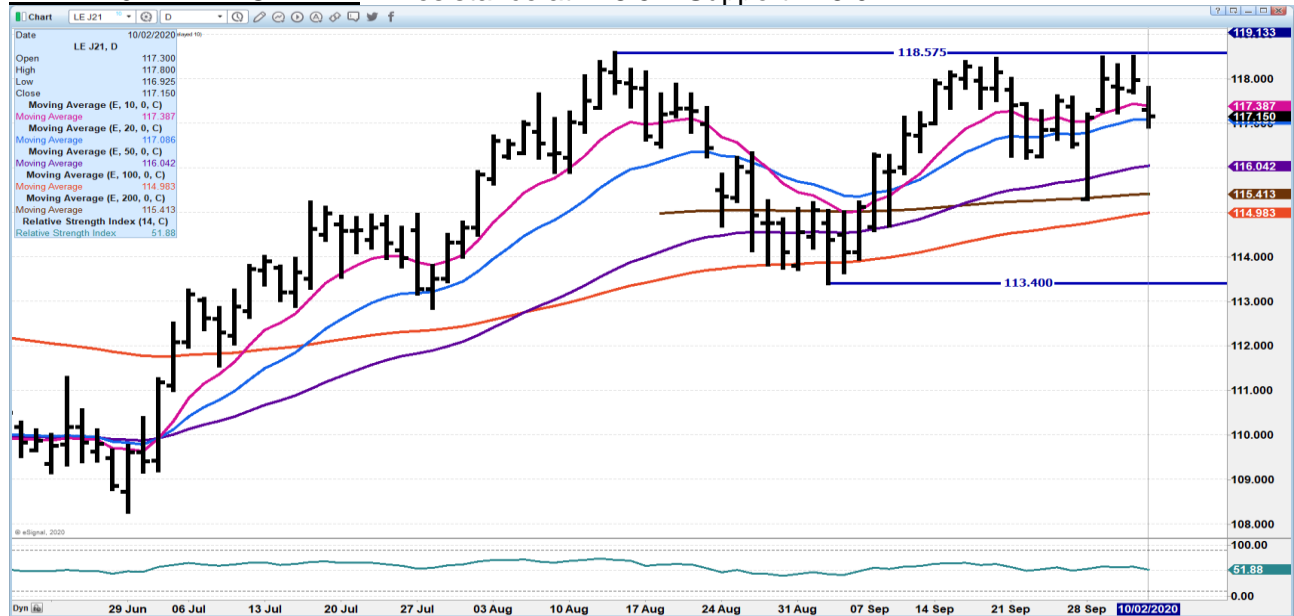
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DECEMBER 2020 LIVE CATTLE – Volume 22,291 Gapped lower next support at 110.35 to 110.00 Resistance at 113.12 to 114.02



APRIL 2021 LIVE CATTLE - Resistance at 118.57 Support 116.02





Feeder Cattle

THE CME FEEDER INDEX ON 10/01/2020 WAS 142.38 UP 58 CENTS FROM PREVIOUS DAY

OCTOBER 2020 FEEDER CATTLE SETTLED ON OCTOBER 1, 2020 AT \$139.90

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING FRIDAY OCTOBER 02, 202

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	207,200	39,700	4,500	251,400
LAST WEEK:	195,500	29,700	42,300	267,500
YEAR AGO:	192,700	60,600	4,300	257,600

COMPARED TO LAST WEEK, STEERS AND HEIFERS SOLD UNEVEN; 2.00 LOWER TO 2.00 HIGHER. DEMAND REMAINS GOOD FOR YEARLING CATTLE WITH LIGHT TO MODERATE DEMAND FOR FRESH CALVES. THIS TIME OF YEAR, TRUE YEARLINGS ARE IN VERY SHORT SUPPLY AND BUYERS ARE WILLING TO PAY HANDSOME PRICES FOR THIS TYPE OF CATTLE. LARGE SUPPLIES OF CALVES ARE ON THE HORIZON, EVEN THOUGH NOT MANY COME DIRECT, (VIDEO'S AND AUCTIONS BULK OF THEM) BUYER ARE STILL SEEKING THESE CALVES TO MAKE YEARLINGS OR PUSH HARD TO APRIL FAT CATTLE MARKET FOR THE BIG FRONT-END KIND. BAWLING AND UNWEANED CALVES CONTINUE TO SEE DISCOUNTS AND ARE MUCH LESS DESIRABLE TO BUYERS AS TYPICAL FOR THIS TIME OF YEAR.

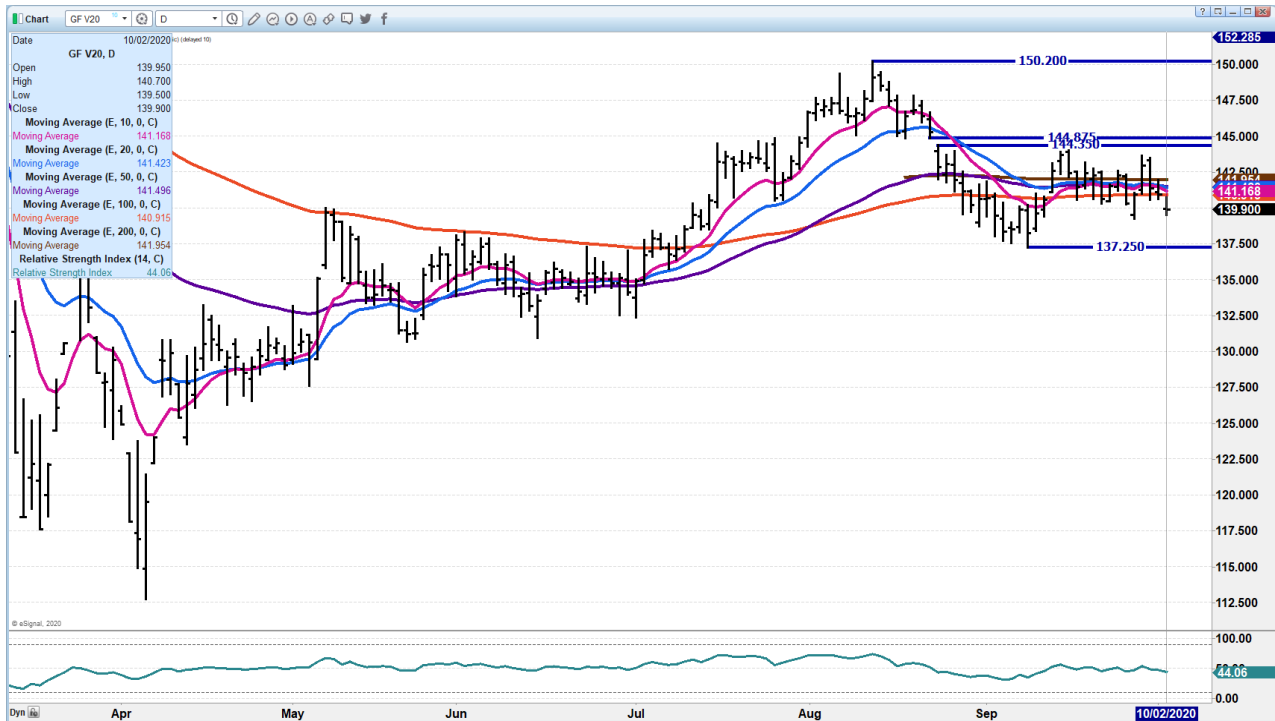
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NOVEMBER 2020/JANUARY 2021 FEEDER CATTLE SPREAD. - BULL SPREADING. WITH OCTOBER UNDER CEME INDEX, NOV SHOULD CONTINUE TO GAIN ON JANUARY



OCTOBER 2020 FEEDER CATTLE –



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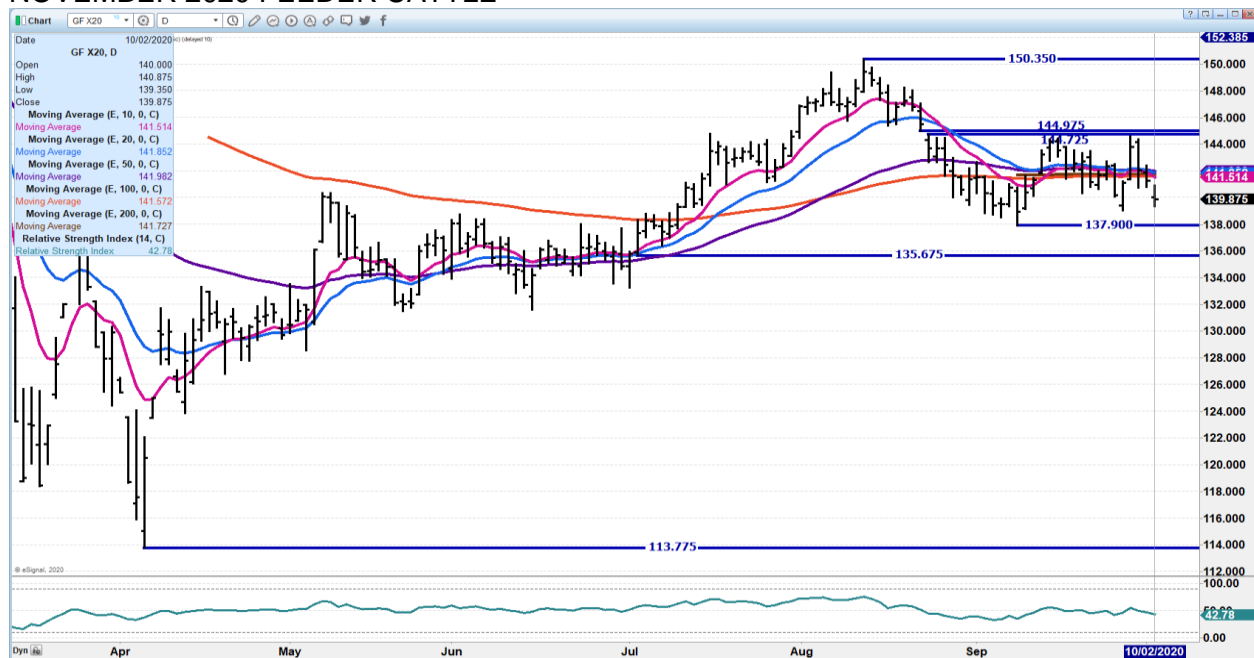
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NOVEMBER 2020 FEEDER CATTLE -



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER – TUESDAY

OCTOBER 2, 2020	464,000	
WEEK AGO	462,000	
YEAR AGO	482,000	
SATURDAY 09/26/2020	213,000-	A WEEK AGO 220,000 - YEAR AGO 230,000
WEEK TO DATE (EST)	2,603,000	
SAME PERIOD LAST WEEK (EST)	2,601,000	
SAME PERIOD LAST YEAR (ACT)	2,660,000	
2020 YEAR TO DATE	97,541,000	
2019 *YEAR TO DATE	96,531,000	

PERCENT CHANGE YEAR TO DATE 1.0% COMPARED TO A WEEK AGO 1.2%

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CME CASH HOG INDEX 09/30/2020 AT 76.744 UP 203 CENTS FROM PREVIOUS DAY -

CME CASH PORK CUTOUT INDEX 10/01/2020 AT 92.63 UP .69 FROM PREVIOUS DAY.

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CME CASH FRESH BACON INDEX ON 09/25/2020 WAS 189.34 COMPARED TO 09/18/2020 WAS 175.11

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HAM AND BELLY VOLATILITY IS LIKE A ROLLER COASTER. CLIMB THE HILL, DOWN, MAYBE A FEW ROLLS AND IT COMES TO A STOP NEAR WHERE IT BEGAN. HAND TO MOUTH RETAIL BUYING IS A SMALL PART OF SALES. BUYERS BUYING DAY TO DAY BECAUSE MAJORITY OF PORK IS FORWARD CONTRACTED AND BUYERS HAVE TO PAY THE OFFER. WHEN BUYER IS OUT, HAMS FALL. WHEN A BUYER NEEDS AN INDIVIDUAL PRIMAL CUT, THEY TAKE WHAT THEY CAN GET. (IT WILL BE INTERESTING TO SEE HOW THE NEW CME PORK CUTOUT CONTRACT WORKS OUT. I'M SURE PACKERS ARE GOING TO SHARE PRICES HOW THEY ARE CONTRACTING PORK 6 OR 12 MONTHS AHEAD.)

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FUTURES TRADING IS VERY LIGHT. SPECS SPREADING IS WHAT MOVES MARKET. DECEMBER IS SHORT LEG TO OCTOBER AND SHORT LEG TO FEBRUARY. AT SOME POINT, THE SHORT SIDE WILL BE LIFTED.

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CHINA'S PIG HERD REBOUNDS AFTER SWINE FEVER, BUT PORK SUPPLY WILL TAKE TIME TO RECOVER. PORK MOVEMENT IS LIGHT COMPARED TO ALL THE HOGS KILLED.

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OCTOBER 2, 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 2, 2020

LOADS OF PORK CUTS: 269.24

LOADS TRIM/PROCESSED PORK: 26.13

FINAL 10/02/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
10/02/2020	295.38	92.15	84.37	95.29	65.93	141.16	78.34	148.79
CHANGE :		-3.50	2.16	4.34	0.22	2.44	-15.00	-4.97
Five Day Average --		92.86	81.52	90.50	65.79	139.27	86.14	149.74

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



OCTOBER 2020 LEAN HOGS – RSI is becoming oversold 75.67 is overhead. Support at 71.25



DECEMBER 2020 LEAN HOGS – Support at 61.87 Resistance at 66.82 Volume at 15,643 is light. It needs to be monitored. It is too light



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