



## Morning October 8, 2020 Livestock Report

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### CATTLE

#### USDA FEDERAL SLAUGHTER

OCTOBER 7, 2020	119,000
WEEK AGO	120,000
YEAR AGO	118,000
WEEK TO DATE (EST)	355,000
SAME PERIOD LAST WEEK (EST)	358,000
SAME PERIOD LAST YEAR (ACT)	354,000

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	<b>CHOICE</b>	<b>SELECT</b>
BOXED BEEF FINAL	216.88	205.58
CHANGE FROM PRIOR DAY	0.64	(1.26)
CHOICE/SELECT SPREAD:		11.30
TOTAL LOAD COUNT		159
5 DAY SIMPLE AVERAGE:	217.77	207.52

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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 7, 2020

Primal Rib	386.09	350.75
Primal Chuck	176.38	172.61
Primal Round	170.16	169.37
Primal Loin	292.11	263.54
Primal Brisket	152.57	155.77
Primal Short Plate	134.21	134.21
Primal Flank	103.31	101.30

#### FINAL OCTOBER 6, 2020

Primal Rib	385.17	352.47
Primal Chuck	176.83	176.92
Primal Round	168.57	166.09
Primal Loin	291.61	267.94
Primal Brisket	153.06	153.05
Primal Short Plate	130.32	130.32
Primal Flank	104.70	101.13

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LOAD COUNT AND CUTOUT VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
10/06	95	20	19	34	168	216.24	206.84
10/05	65	25	7	35	132	216.98	208.01
10/02	63	16	9	33	121	218.88	207.61
10/01	89	32	7	20	147	218.98	207.62
09/30	88	31	10	26	155	217.74	207.54

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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	103.79 loads	4,151,760 pounds
Select Cuts	25.76 loads	1,030,289 pounds
Trimming	6.06 loads	242,210 pounds
Ground Beef	23.05 loads	921,947 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)

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**BEEF AND PORK EXPORTS FOR WEEKENDING OCTOBER 1, 2020 AT BOTTOM OF REPORT**

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DELIVERY NOTICE SERVED – OCTOBER 2020 - LIVE CATTLE  
SETTLEMENT: OCTOBER 7, 2020 - \$110.17  
OLDEST LONG: 02/20/20 SETTLEMENT ON 02/03/20 AT \$113.50  
0 DELIVERIES

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USDA POSTED CATTLE PRICES ON 10/07/2020  
IA/MN – CASH 569 HEAD AT 107.00 - 108.00 DRESSED - 169.00  
NE - CASH – NO CASH SALES DRESSED: 169.00  
KS – CASH NO CASH SALES DRESSED NO DRESSED SALES  
TX/OK/NM – CASH 108.50  
CO – Information not available due to confidentiality



National Daily Direct Cattle October 7, 2020  
(5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1483	\$107.09	48,632
Live Heifer:	1330	\$107.06	26,017
Dressed Steer:	957	\$167.61	18,841
Dressed Heifer:	867	\$167.64	6,349

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A few cash cattle Wednesday sold for \$107.00 to \$108.50 and scattered dressed sales at \$169.00. Midwest and Northern feedlots holding for \$110.00. Packers are offering \$109.00. at this time cattle ready for Market are from placements late spring. Supplies of cattle aren't what they were last month. Showlists are going to be down from large feedlot inventories during the summer through September.

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Just because people aren't going to restaurants, they still eat beef. They eat at home. With restaurants only partially open and many not re-opening, it is the restaurant business that suffers. Beef is moving high cost cuts to ground beef and the canned meat trade is seeing buying unlike times back to World War II and the Korean War. There are many people now buying more low cost beef and the majority of people that were never laid off work, are buying beef as they did before the economic upheaval.

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The Fed Cattle Exchange had 470 head listed for the Internet sale Wednesday morning. First group of heifers from Texas weighing 1225 started out offering cattle for \$106. 00 and final bid was 108.50. Second lot from Nebraska steers weighing 1450 were passed with offer at \$109.25, Third group from Texas weighing 1375 sold for \$108.50. All groups were for delivery 1-17 days

Packers are paying up because cattle are current and because they are making a lot of money. The latter probably most important. \$350/head profit margins and packers will kill as many as possible. Beef is selling from Choice to ground beef.

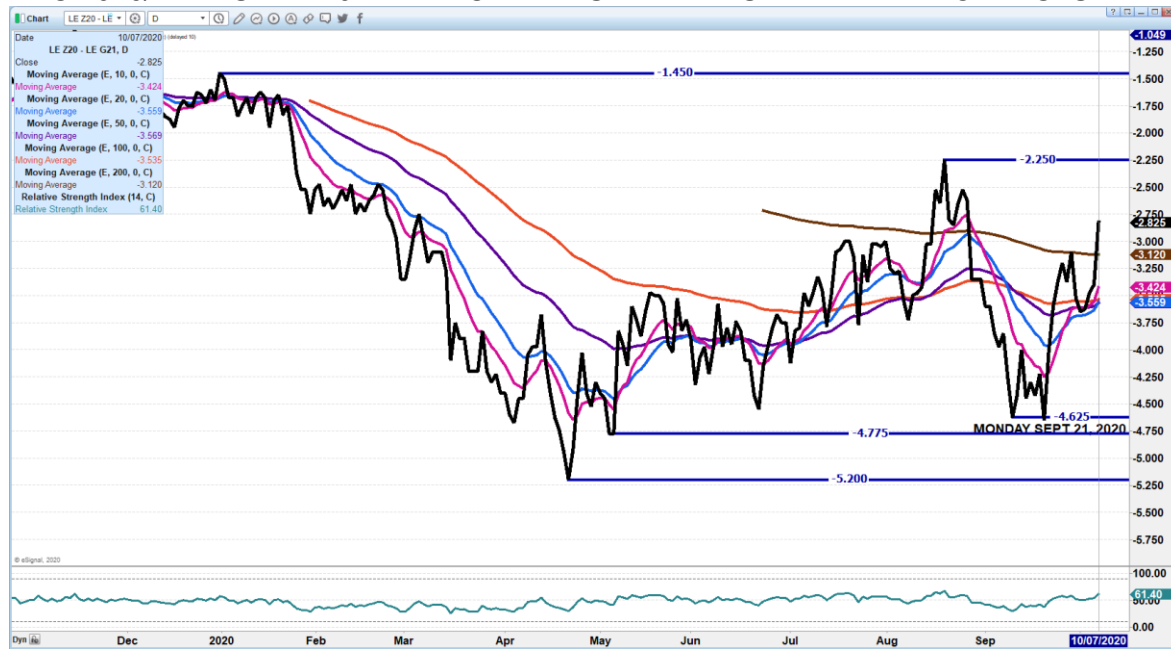
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As of September 29<sup>th</sup>, dressed steer and heifer weights were 893.2 compared to previous week at 887.0 up 6.2 pounds from week ago and 19 pounds over a year ago. Grading percent was 81.3% compared to previous week at 82.2%.

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**DEC 2020/FEBRUARY 2021 LIVE CATTLE SPREAD – SPREAD NARROWING IS FRIENDLY.**



**February 2021/April 2021 Live Cattle Spread - Into 2021 spread is narrowing**



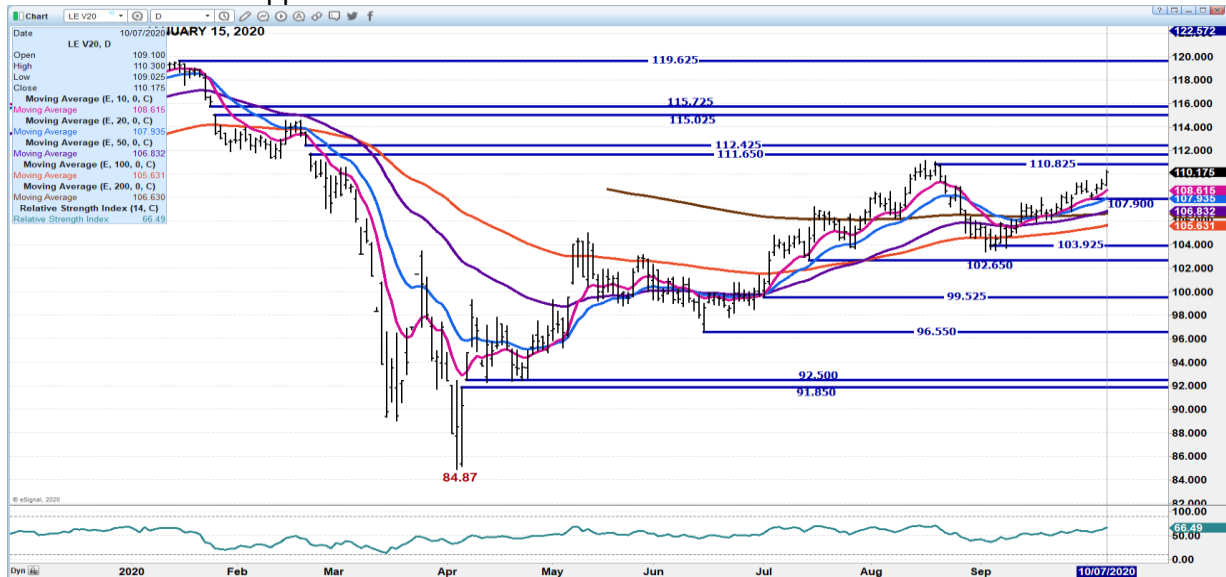
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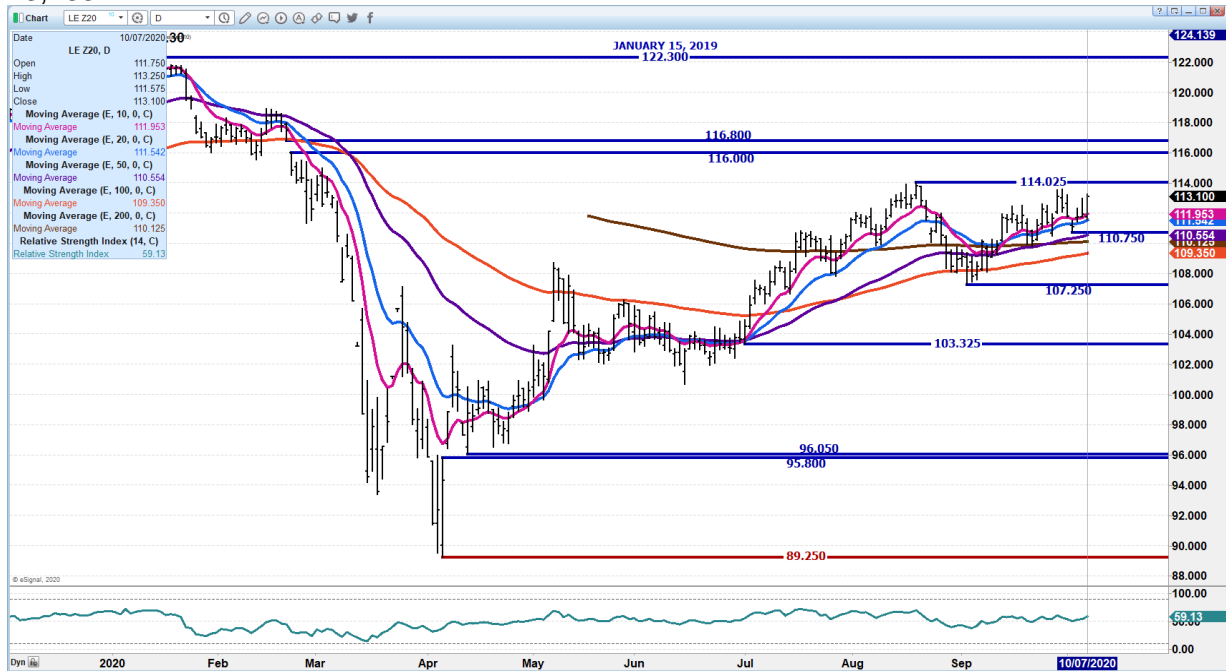




**OCTOBER 2020 LIVE CATTLE – 110.82 up to 112.42, the upper gap is resistance. Support is 107.90 to 106.80 support**

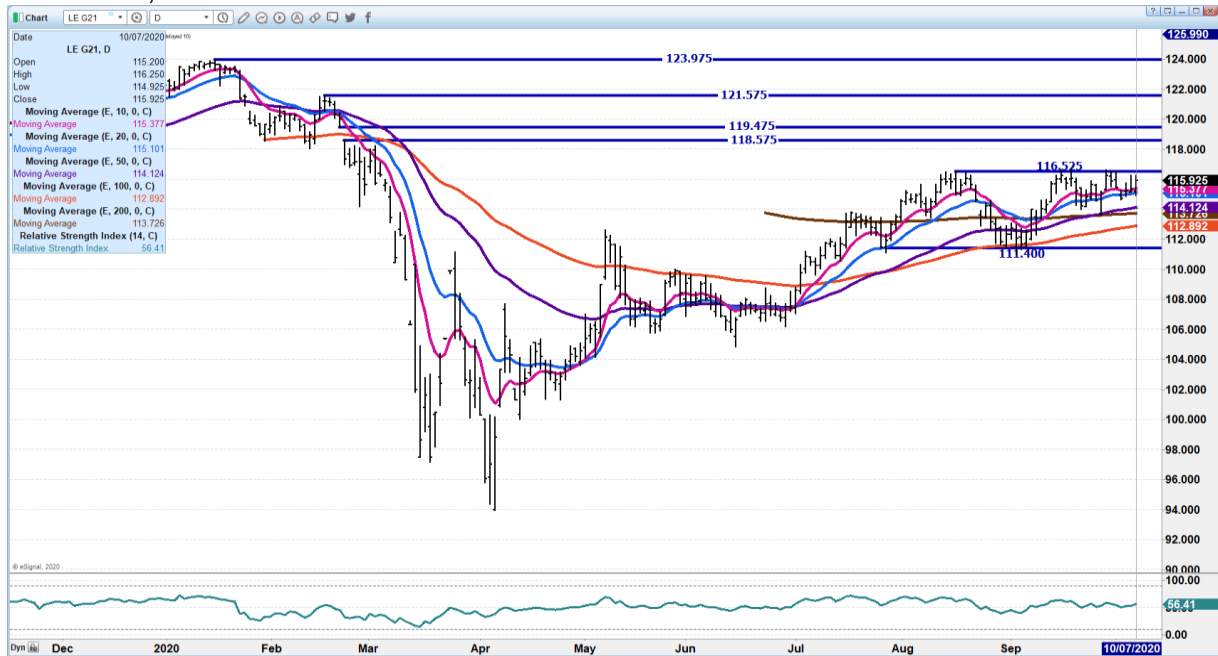


**DEC 2020 LIVE CATTLE – 114.82 resistance to 116.00 Support at 111.90 to 110.75. Volume 23,733**





**FEBRUARY 2021 LIVE CATTLE - 116.52 - 118.57 Resistance. Support at 115.37 to 114.10**  
Volume 14,913



## Feeder Cattle

THE CME FEEDER INDEX ON 10/06/2020 WAS 142.71 DOWN 39 CENTS FROM PREVIOUS DAY

OCTOBER 2020 FEEDER CATTLE SETTLED ON OCTOBER 7, 2020 AT \$138.50

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PACKERS ARE BUYING CATTLE AND THEY NEED TO BE REPLACED. AS OF TUESDAY'S CLOSE OCTOBER FUTURES WERE \$4.98 UNDER THE CME INDEX. TRADERS ARE BULL SPREADING FEEDER CATTLE.

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### NOVEMBER 2020/JANUARY 2021 FEEDER CATTLE SPREAD - SPREAD IS NARROW



### OCT 2020 FEEDER CATTLE – SUPPORT AT 137.25 TO 134.75 RESISTANCE AT 140.05



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### NOV 2020 FEEDER CATTLE - SUPPORT AT 137.90 TO 134.85 REISTANCE AT 140.55



### LEAN HOGS

#### USDA ESTIMATED FEDERAL HOG SLAUGHTER

OCTOBER 7, 2020	489,000
WEEK AGO	467,000
YEAR AGO	492,000
WEEK TO DATE (EST)	1,465,000
SAME PERIOD LAST WEEK (EST)	1,441,000
SAME PERIOD LAST YEAR (ACT)	1,465,000

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CME CASH HOG INDEX 10/05/2020 AT 77.41 UP 15 CENTS FROM PREVIOUS DAY -

CME CASH PORK CUTOUT INDEX 10/06/2020 AT 93.33 UP .20 FROM PREVIOUS DAY.

CME CASH FRESH BACON INDEX ON 10/02/2020 WAS 194.37 COMPARED TO 09/25/2020 WAS 189.34





Lean Hog trade volume has been very light. The October/December spread is ridiculously wide and likely it will remain wide into October expiration. It doesn't necessarily mean December will move up to it after October expires.

Wide price fluctuations and light volume trading are indicators of possible change.

Hog weights aren't dropping indicating packers have plenty of hogs

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OCTOBER HOGS SETTLED \$12.30 OVER DECEMBER DOWN 15 CENTS ON WEDNESDAY. IN 2018 THE SPREAD WENT OFF THE BOARD WITH OCTOBER \$13.75 OVER DECEMBER.

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#### OCTOBER 7, 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 7, 2020

LOADS OF PORK CUTS: 280.94

LOADS TRIM/PROCESSED PORK: 29.38

##### FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
10/07/2020	310.32	95.18	85.92	97.21	66.88	146.38	79.09	158.69
CHANGE :		- 2.63	-0.45	-0.49	0.87	-1.47	11.75	-1.29
Five Day Average --		94.11	84.86	95.35	66.46	143.72	80.40	154.77

##### NOON

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
10/07/2020	177.74	96.23	86.36	97.90	69.13	145.77	79.16	161.71
CHANGE :		3.68	-0.01	0.20	3.12	-2.08	11.82	1.73
Five Day Average --		94.32	84.95	95.49	66.91	143.60	80.41	155.38

##### FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
10/06/2020	360.82	92.55	86.37	97.70	66.01	147.85	67.34	159.98
CHANGE :		-2.45	0.92	2.09	-1.76	3.35	-16.54	7.33
Five Day Average --		93.34	84.00	93.97	66.66	142.51	81.27	152.02

#### PREVIOUS WEEKS CLOSE 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



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NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE  
SLAUGHTER DATA FOR OCTOBER 6, 2020

Average carcass weight - 282.33  
Average live weight - 210.96

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DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM October 7, 2020  
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES  
Carcass Base Price: \$60.00 - \$66.75  
Weighted Average: \$63.85  
Change from Prior Day: 0.38 lower  
HOGS SOLD: 6,673

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)  
PRICE RANGE: \$62.77 - \$90.50  
Weighted Average: \$75.70  
Previous Day: \$76.72  
HOGS SOLD: 153,161

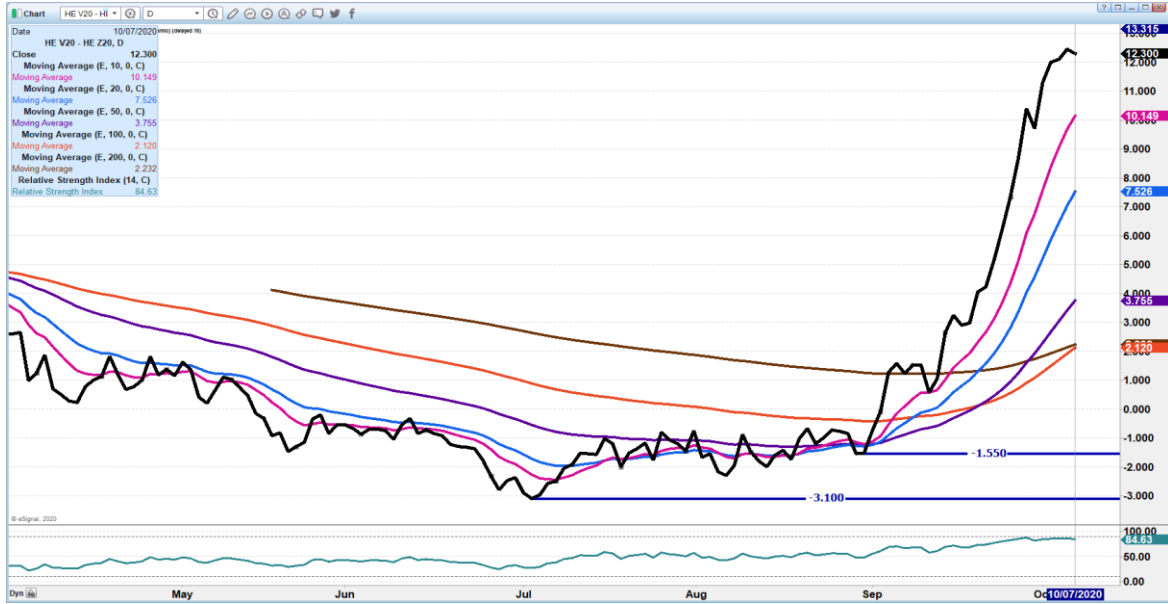
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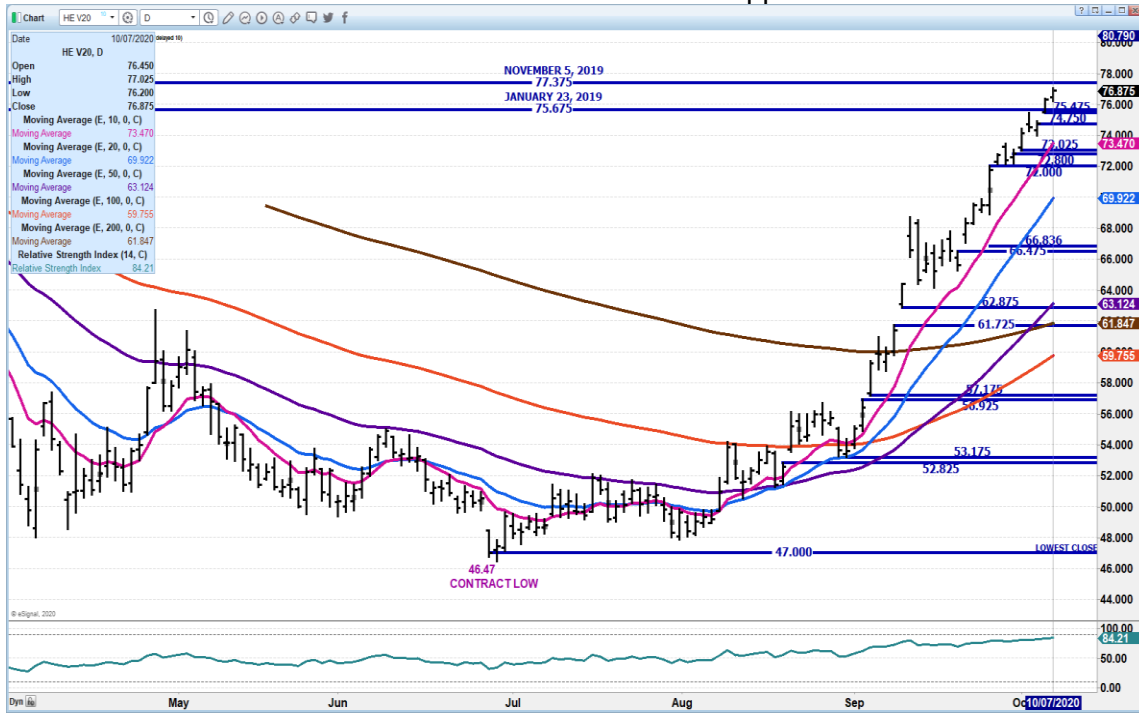
OCTOBER 2020/DECEMBER 2020 LEAN HOG SPREAD – SPREAD MAY BE ROUNDING  
BUT STILL RIDICULOUSLY WIDE AND LIKE WILL REMAIN WIDE UNTIL OCTOBER GOES  
OFF THE BOARD



Daily Futures Market Commentary



OCTOBER 2020 LEAN HOGS – 77.37 REISTANCE Support 73.47



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**DEC 2020 LEAN HOGS – 64.85 to 66.82 resistance Support at 63.20 to 62.37 Volume 18,897**



**FEBRUARY 2021 LEAN HOGS – Resistance at 69.97 to 72.52 Support at 68.25 to 57.57**







**Beef:** Net sales of 20,700 MT reported for 2020 were down 16 percent from the previous week, but up 14 percent from the prior 4-week average. Increases were primarily for South Korea (5,800 MT, including decreases of 500 MT), China (4,100 MT), Japan (3,700 MT, including decreases of 1,400 MT), Hong Kong (3,100 MT, including decreases of 200 MT), and Taiwan (1,100 MT, including decreases of 100 MT). For 2021, net sales of 2,200 MT were primarily for Japan (1,400 MT) and Canada (500 MT). Exports of 16,900 MT were up 2 percent from the previous week and 5 percent from the prior 4-week average. The destinations were primarily to Japan (4,500 MT), South Korea (3,800 MT), Hong Kong (1,600 MT), China (1,500 MT), and Taiwan (1,400 MT).

**Pork:** Net sales of 60,200 MT reported for 2020--a marketing-year high--were up 52 percent from the previous week and from the prior 4-week average. Increases were primarily for China (29,000 MT, including decreases of 1,200 MT), Mexico (16,400 MT, including decreases of 500 MT), Canada (4,500 MT, including decreases of 400 MT), Japan (2,400 MT, including decreases of 200 MT), and South Korea (2,000 MT, including decreases of 100 MT). For 2021, net sales of 500 MT were primarily for Canada (300 MT) and Australia (100 MT). Exports of 36,800 MT were up 13 percent from the previous week and from the prior 4-week average. The destinations were primarily to Mexico (11,200 MT), China (10,600 MT), Japan (4,300 MT), Canada (2,500 MT), and South Korea (2,200 MT).

*CHARTS FROM ESIGNAL INTERACTIVE, INC.*

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