



Morning October 12, 2020 Livestock Report

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CATTLE

USDA FEDERAL SLAUGHTER

OCTOBER 9, 2020	112,000
WEEK AGO	112,000
YEAR AGO	117,000
SATURDAY 10/10/2020	53,000 - A WEEK AGO 70,000, YEAR AGO 60,000
WEEK TO DATE (EST)	637,000
SAME PERIOD LAST WEEK (EST)	665,000
SAME PERIOD LAST YEAR (ACT)	648,000
2020 YEAR TO DATE	24,814,000
*YEAR TO DATE	25,864,000
Percent change year to date	-4.1% Previous week -4.3%

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	CHOICE	SELECT
BOXED BEEF FINAL	214.06	199.82
CHANGE FROM PRIOR DAY	(1.94)	(3.28)
CHOICE/SELECT SPREAD:		14.24
TOTAL LOAD COUNT		124
5 DAY SIMPLE AVERAGE:	217.00	206.23

PREVIOUS WEEK 10/02/2020

BOXED BEEF FINAL	218.88	207.61
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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 9, 2020

Primal Rib	383.30	342.76
Primal Chuck	173.91	163.14
Primal Round	168.00	166.49
Primal Loin	287.91	260.30
Primal Brisket	153.49	151.26
Primal Short Plate	129.36	129.36
Primal Flank	100.43	97.12



PREVIOUS WEEK FINAL OCTOBER 2, 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

LOAD COUNT AND CUTOUT VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
10/08	82	44	8	28	162	216.00	203.10
10/07	104	26	6	23	159	216.88	205.58
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

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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	75.18 loads	3,007,216 pounds
Select Cuts	29.56 loads	1,182,285 pounds
Trimming	10.92 loads	436,703 pounds
Ground Beef	8.00 loads	319,936 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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USDA LIVESTOCK REPORTS FOR OCTOBER 2020

OCTOBER 22, 2020 COLD STORAGE REPORT 2:00PM CENTRAL TIME

OCTOBER 23, 2020 CATTLE ON FEED REPORT 2:00PM CENTRAL TIME

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DELIVERY NOTICE SERVED – OCTOBER 2020 - LIVE CATTLE

SETTLEMENT: OCTOBER 9, 2020 - \$109.87

OLDEST LONG: 02/20/20 SETTLEMENT AT \$113.50

0 DELIVERIES



USDA POSTED CATTLE PRICES ON 10/09/2020
 IA/MN – CASH 104.00 - 110.00 DRESSED - 169.00 - 170.00
 NE - CASH – 107.00 - 109.00 DRESSED: 169.00 - 170.00
 KS – CASH 108.00 - 109.00 DRESSED 170.00
 TX/OK/NM – CASH 107.00 - 109.00
 CO – Information not available due to confidentiality

National Daily Direct Cattle October 9, 2020
 (5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1487	\$107.24	26,871
Live Heifer:	1351	\$107.10	12,716
Dressed Steer:	961	\$168.08	16,022
Dressed Heifer:	868	\$168.03	4,994

PREVIOUS WEEK

National Daily Direct Cattle October 2, 2020
 (5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1493	\$107.42	18,752
Live Heifer:	1345	\$107.63	6,028
Dressed Steer:	960	\$169.21	10,048
Dressed Heifer:	853	\$168.92	2,445

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 Last week cattle sold for \$110.00 cash and \$170.00 dressed. There were also several large cattle in Iowa/Minnesota selling down to \$104.00. These are cattle that were put on feed and then in the spring during the height of the packer slowdown taken of feed and moved to pastures. They came back as bigger boned and larger animals that either did not finish out Choice or if they finished Choice, they were too big and were discounted. It was noticeable in the way weights have increased, how Select boxed beef has dropped compared to Choice and the drop in dressing percentage.

Eventually, cattle weights will not have had difference. By December should see weights normalize. Into 2021, wide differences should be gone

It will be important to watch Select boxed beef movement over the next week. The US cattle industry is known for Choice and Prime beef. Putting too much Select on the market especially if it takes time to clean it up, could weigh on prices. However, it could help exports to markets wanting the Select products over Choice. It likely will weigh on the Choice cuts that go to ground beef and trimmings.



As of October 6th, dressed steer and heifer weights were 897.5 compared to previous week at 893.2 up 4.3 pounds from week ago and 19 pounds over a year ago. Grading percent was 81.2% compared to previous week at 81.3%.

DECEMBER 2020/FEBRUARY 2021 LIVE CATTLE SPREAD – NARROWING IS BULLISH.

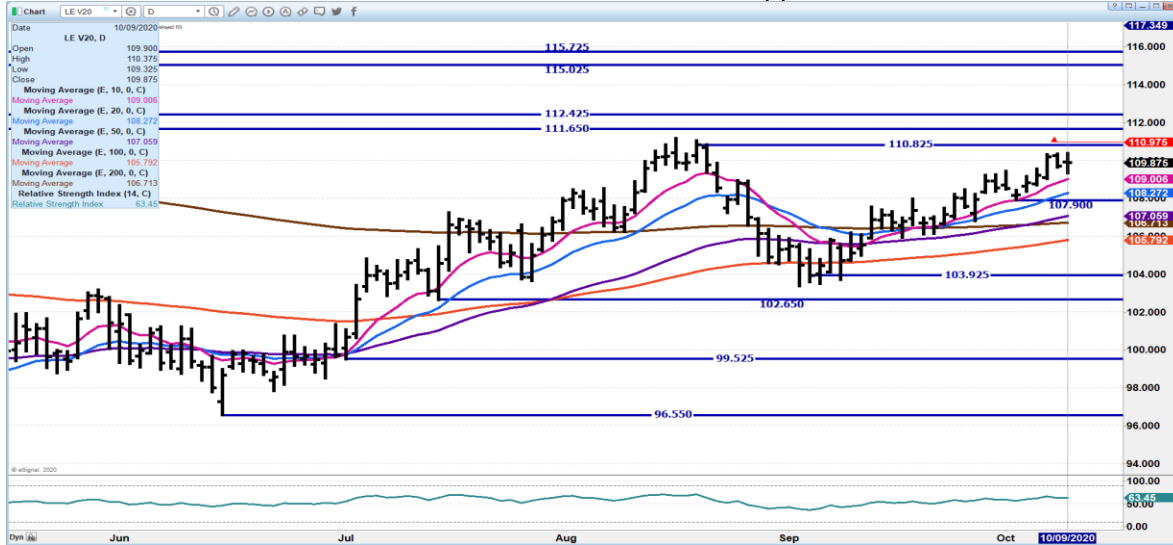


February 2021/April 2021 Live Cattle Spread - Watching spreads to see how they will move. Narrowing is friendly

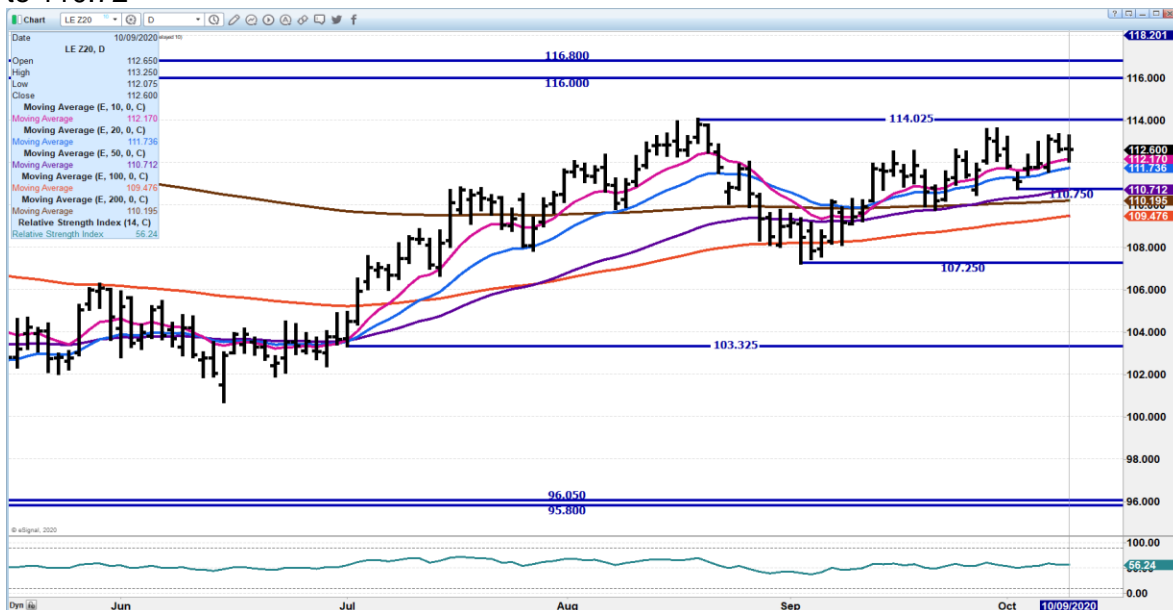




OCTOBER 2020 LIVE CATTLE – ON 10/02/2020 SETTLED AT 108.17 ON 10/09/2020 SETTLED AT 109.87. Resistance at 110.97 to 112.42 Support at 109.00 to 108.27

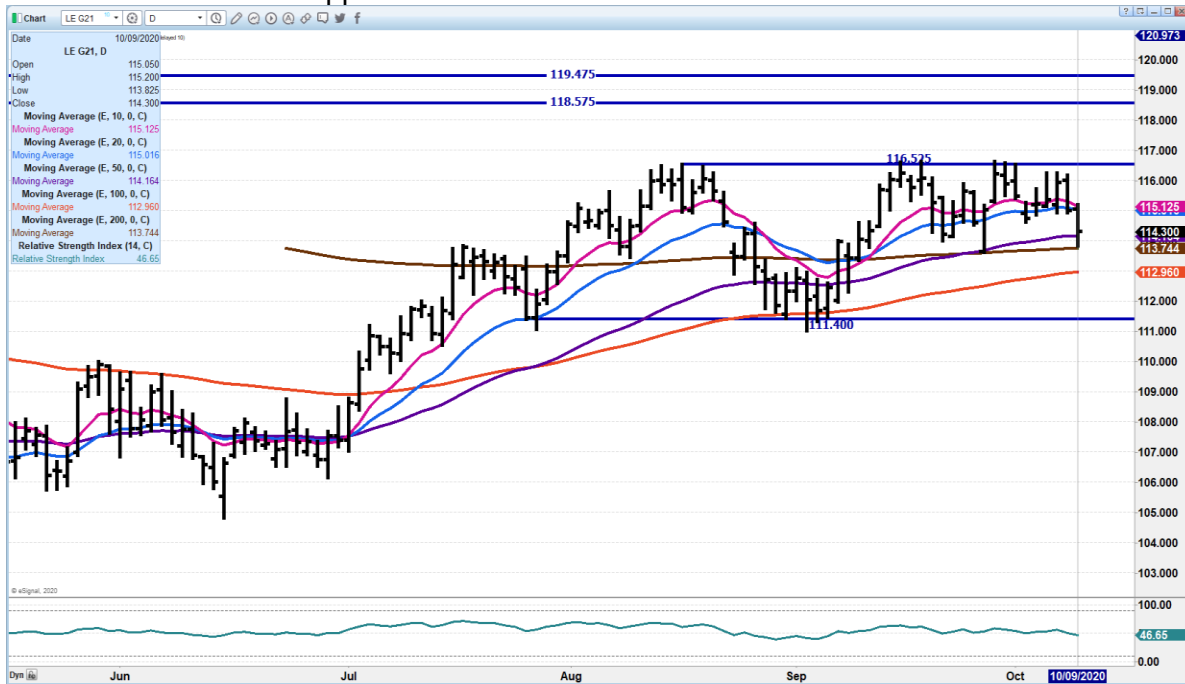


DECEMBER 2020 LIVE CATTLE – ON 10/02/2020 SETTLED AT 111.10 ON 10/09/2020 SETTLED AT 112.60. Volume 26,719 Resistance at 114.02 Support at 112.02 to 111.70 down to 110.72





FEBRUARY 2021 LIVE CATTLE - ON 10/02/2020 SETTLED AT 114.72 ON 10/09/2020 SETTLED AT 114.30 Support at 113.72 to 112.90 Resistance at 115.25 to 116.52



Feeder Cattle

THE CME FEEDER INDEX ON 10/08/2020 WAS 141.92 DOWN 68 CENTS FROM PREVIOUS DAY

THE CME FEEDER INDEX ON 10/01/2020 WAS 142.38

OCTOBER 2020 FEEDER CATTLE SETTLED ON OCTOBER 9, 2020 AT \$138.25

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 10/09/2020

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	228,400	21,000	23,400	272,800
LAST WEEK:	207,200	39,700	4,500	251,400
YEAR AGO:	218,500	48,100	33,200	299,800



COMPARED TO LAST WEEK, STEERS AND HEIFER CALVES SOLD 1.00 TO 3.00 LOWER, WHILE YEARLING STEERS AND HEIFERS SOLD STEADY TO 1.00 LOWER. THE CALF RUNS HAVE CERTAINLY STARTED IN AREAS THAT HAVE BEEN AFFECTED BY DRY CONDITIONS IN RECENT WEEKS AND MONTHS. THE SUPPLY OF FEEDERS WAS MODERATE AND DEMAND WAS MODERATE TO GOOD, WITH THE BEST DEMAND ON YEARLINGS THAT ARE ABLE TO FIT THE APRIL CME CONTRACT. VACCINATION PROGRAMS AND A 45 TO 60 DAY WEANING PERIOD ARE STRESSED BY AUCTIONS THIS TIME OF YEAR AS HANDSOME PRICES FOR CALVES CAN BE ACHIEVED HOWEVER NON WEANED CALVES WILL BE MET WITH STEEP DISCOUNTS.

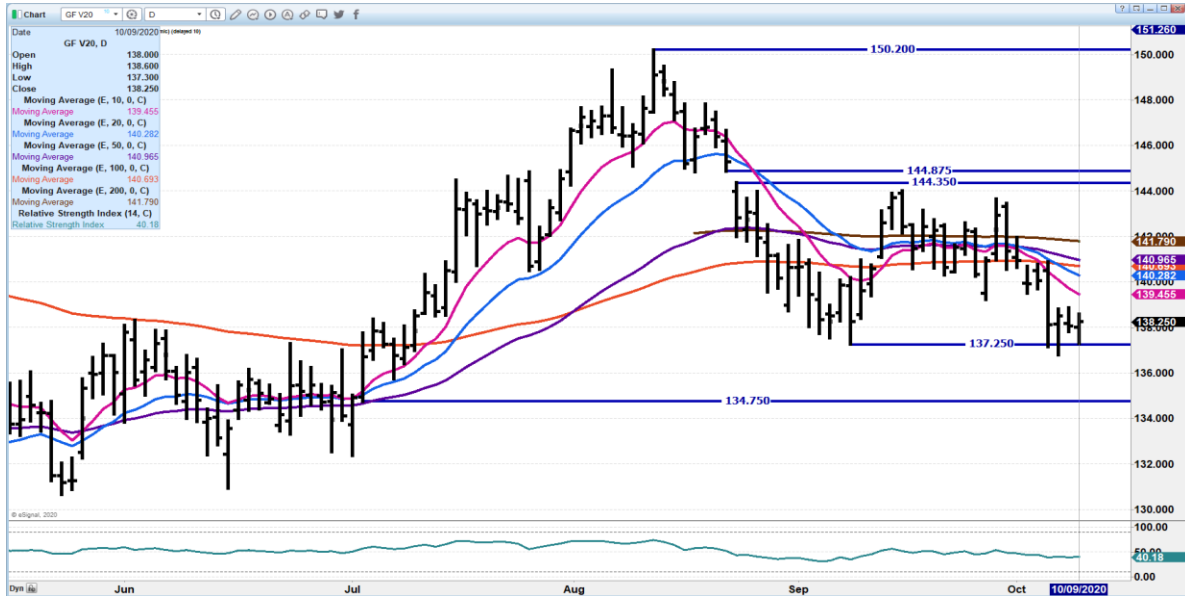
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NOVEMBER 2020/JANUARY 2021 FEEDER CATTLE SPREAD - BULL SPREADING FEEDERS.





OCTOBER 2020 FEEDER CATTLE – ON 10/02/2020 SETTLED AT 139.90 ON 10/09/2020 SETTLED AT 138.25. SUPPORT IS 137.25 RESISTANCE AT 139.45 TO 140.25 NEED TO CLOSE OVER 142.00 TO SEE MOVE HIGHER



NOVEMBER 2020 FEEDER CATTLE - ON 10/02/2020 SETTLED AT 139.87 ON 10/09/2020 SETTLED AT 135.52.. RSI AT 32. SUPPORT NEEDS TO BE FRIDAY'S LOW AT 134.60 RESISANCE AT 138.70



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

OCTOBER 9, 2020	487,000	
WEEK AGO	464,000	
YEAR AGO	486,000	
SATURDAY 10/10/2020	289,000-	A WEEK AGO 213,000 - YEAR AGO 257,000
WEEK TO DATE (EST)	2,730,000	
SAME PERIOD LAST WEEK (EST)	2,603,000	
SAME PERIOD LAST YEAR (ACT)	2,697,000	
2020 YEAR TO DATE	100,276,000	
2019 *YEAR TO DATE	99,229,000	
PERCENT CHANGE YEAR TO DATE	1.1%	

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CME CASH HOG INDEX 10/07/2020 AT 77.62 UP 12 CENTS FROM PREVIOUS DAY
[CME CASH HOG INDEX 09/30/2020 AT 76.74](#)

CME CASH PORK CUTOUT INDEX 10/08/2020 AT 93.98 DOWN 10 CENTS FROM PREVIOUS DAY.
[CME CASH PORK CUTOUT INDEX 10/01/2020 AT 92.63](#)

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

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Hog weights are not going down. Slaughter is up 1.1% year to date and for the week kill is 33,000 head more compared to a year ago during the same week.

Hams that have been leading the cutout higher ended up lower than for the week and lower than the five day average. Hams for the week were down \$6.62 compared to a week ago and down \$3.43 on the five day average. Loins were higher on the week up \$3.45 and on the five day average up .90 cents. Butts picnics, ribs and bellies were all higher.

Hams need to maintain the strength in the market unless loins can take over, but loins have not been the reason for the stronger cutout.

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OCTOBER HOGS SETTLED \$11.00 OVER DECEMBER UP 50 CENTS ON FRIDAY.

OCTOBER 9, 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 9, 2020

LOADS OF PORK CUTS: 326.01

LOADS TRIM/PROCESSED PORK: 42.58

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
10/09/2020	368.58	94.80	87.82	97.83	69.42	148.64	71.72	163.28
CHANGE :		-0.56	-1.21	-0.24	0.61	-1.47	-2.02	2.30
Five Day Average --		94.58	86.92	97.28	67.78	147.50	75.15	159.12

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 8, 2020

Average carcass weight - 282.90

Average live weight - 211.54

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DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM October9, 2020

NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES

Carcass Base Price: \$60.00 - \$68.50

Weighted Average: \$64.52

Change from Prior Day: 0.53 lower

HOGS SOLD: 4,555

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)

PRICE RANGE: \$63.10 - \$90.93

Weighted Average: \$76.71

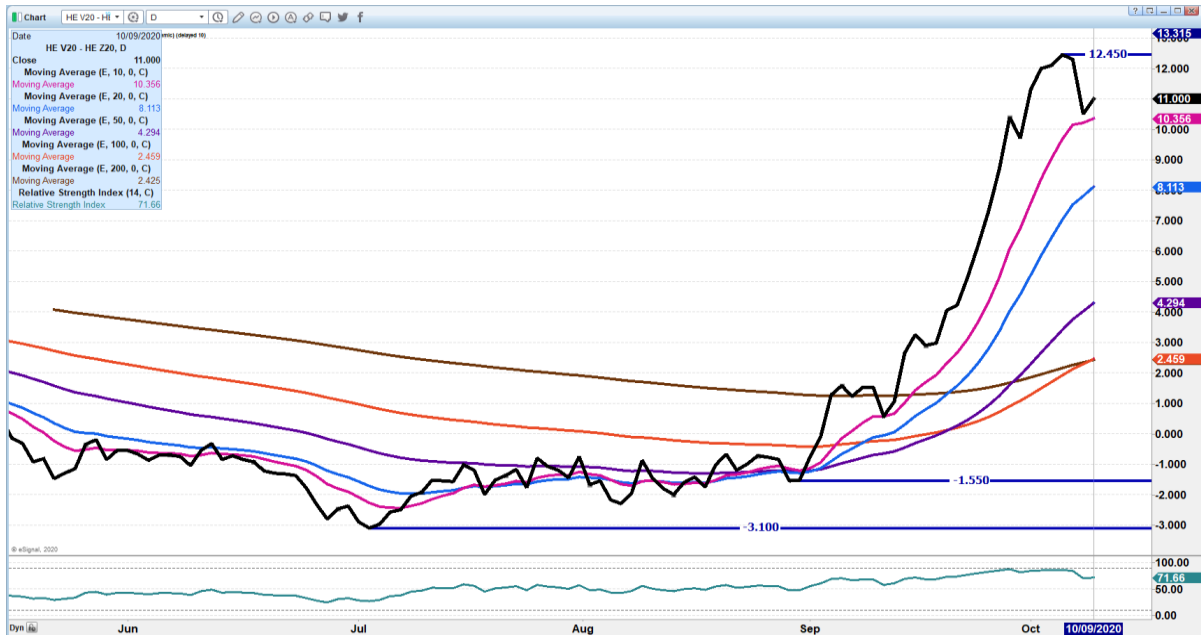
Previous Day: \$76.43

HOGS SOLD: 173,030

https://www.ams.usda.gov/mnreports/lm_hg203.txt



OCTOBER 2020/DECEMBER 2020 LEAN HOG SPREAD – STRONG SPREAD. COULD REMAIN STRONG UNTIL OCTOBER EXPIRES.



DEC 2020/FEBRUARY 2021 LEAN HOG SPREAD. FAIRLY NORMAL SPREAD NOW.. WATCH FOR REVERSAL WITH FEB GAINING ON DEC WHEN OCTOBER EXPIRES



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OCTOBER 2020 LEAN HOGS – ON10/02/2020 SETTLED AT 74.50 ON 10/09/2020 SETTLED AT 78.12 New contract highs. RSI at 86 Support at 74.87



DECEMBER 2020 LEAN HOGS – ON10/02/2020 SETTLED AT 62.50 ON 10/09/2020 SETTLED AT 67.12. Volume light at 16,283. RSI at 68, not overbought. Resistance at 67.50 to 69.80 Support at 64.50 to 62.87



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FEBRUARY 2021 LEAN HOGS – ON10/02/2020 SETTLED AT 67.67 ON 10/09/2020 SETTLED AT 70.55 Resistance 70.97 to 72.57 Support at 69.05 to 68.00



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