



Morning October 13, 2020 Livestock Report

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CATTLE

USDA FEDERAL SLAUGHTER

OCTOBER 12, 2020	117,000
WEEK AGO	116,000
YEAR AGO	115,000

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	CHOICE	SELECT
BOXED BEEF FINAL	214.62	200.34
CHANGE FROM PRIOR DAY	0.56	0.52
CHOICE/SELECT SPREAD:		14.28
TOTAL LOAD COUNT		127
5 DAY SIMPLE AVERAGE:	216.04	204.67

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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 12, 2020

Primal Rib	383.81	342.03
Primal Chuck	177.40	170.54
Primal Round	168.27	166.65
Primal Loin	287.46	258.26
Primal Brisket	153.11	150.16
Primal Short Plate	130.14	130.14
Primal Flank	102.16	96.79

FINAL OCTOBER 9, 2020

Primal Rib	383.69	342.16
Primal Chuck	176.49	166.45
Primal Round	168.91	166.70
Primal Loin	285.62	258.19
Primal Brisket	152.47	150.04
Primal Short Plate	130.35	130.35
Primal Flank	100.81	97.02



LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
10/09	75	30	11	8	124	214.06	199.82
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

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	76.08 loads	3,043,246 pounds
Select Cuts	22.97 loads	918,973 pounds
Trimmings	11.99 loads	479,562 pounds
Ground Beef	15.74 loads	629,556 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)

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

DELIVERY NOTICE SERVED – OCTOBER 2020 - LIVE CATTLE
SETTLEMENT: OCTOBER 12, 2020 - \$108.35
OLDEST LONG: 02/20/20 SETTLEMENT AT \$113.50
0 DELIVERIES

USDA POSTED CATTLE PRICES ON 10/12/2020
IA/MN – CASH 107.00 on 1150 head DRESSED - 169.00 on 120 head
NE - CASH – No Reportable Trade DRESSED: No Reportable Trade
KS – CASH No Reportable Trade DRESSED No Reportable Trade
TX/OK/NM – CASH 109.00 on 1,811 head
CO – Information not available due to confidentiality



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

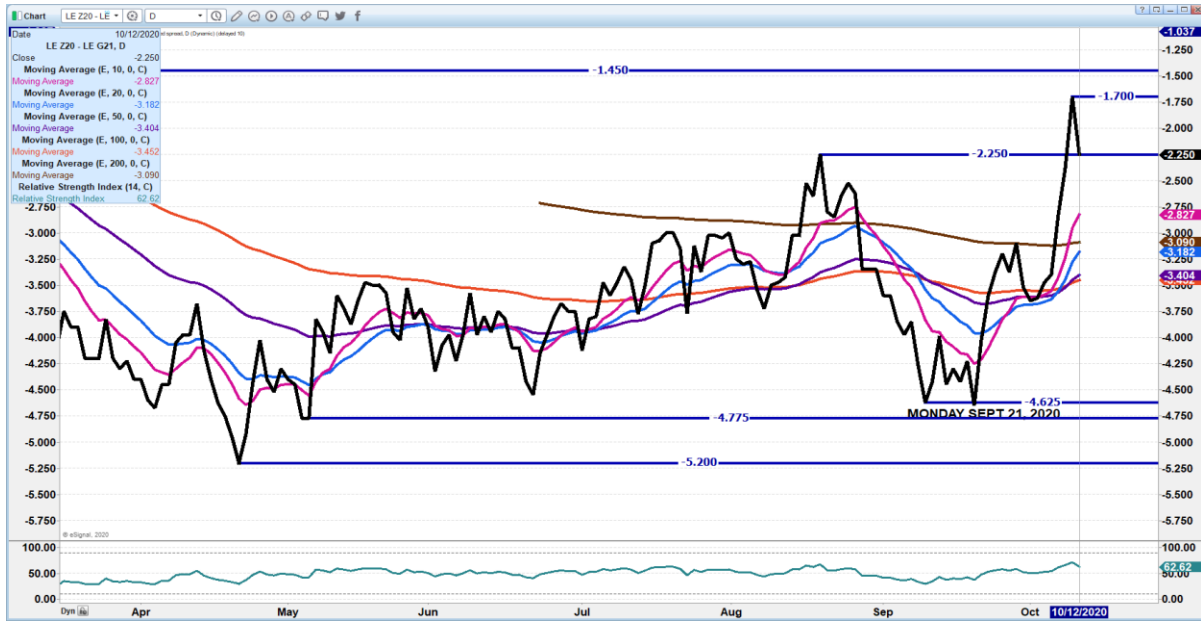
	Weight	Price	Head
Live Steer:	1481	\$108.12	43,330
Live Heifer:	1318	\$108.56	18,499
Dressed Steer:	966	\$169.65	20,297
Dressed Heifer:	855	\$169.78	6,218

With pickup in volume Monday on futures, long liquidation was part of the trading. Also, feedlots have been forward contracting December futures on out into 2021 not wanting to risk another year like 2020 and the month after month negative feeding margins. For September and early October, packers were contracting at minus \$1.00 under the board. Last week, forward contracts went to \$1.00 over the board with May and June at plus \$4 over the June 2021 contract.

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 – SPREAD MAY HAVE TOPPED AT -1.70 IT IS NARROW AND COULD DROP TO MINUS 3.00 IF REVERSES AND NARROWS IT IS FRIENDLY



Feb 2021/April 2021 Live Cattle Spread - Remains narrow. Spread will help show direction

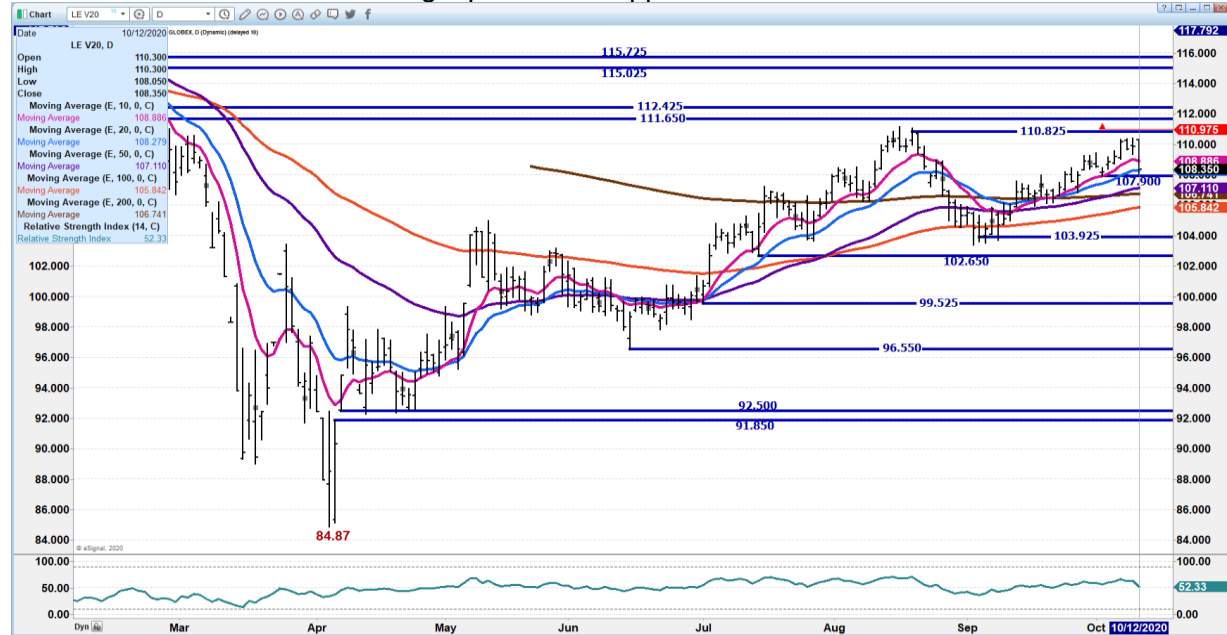


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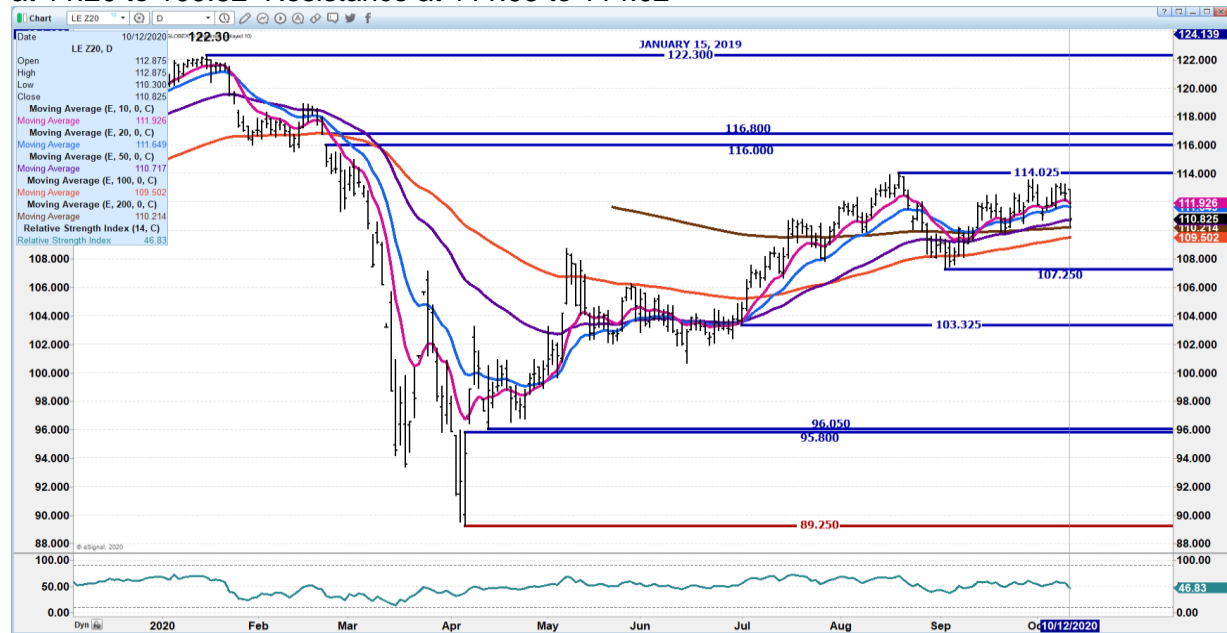
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OCT 2020 LIVE CATTLE – Long liquidation. Support at 108.27 to 106.72 Resistance at 110.82



DECEMBER 2020 LIVE CATTLE – Heavier than usually volume as of late at 32,210. Support at 111.20 to 109.52 Resistance at 111.95 to 114.02

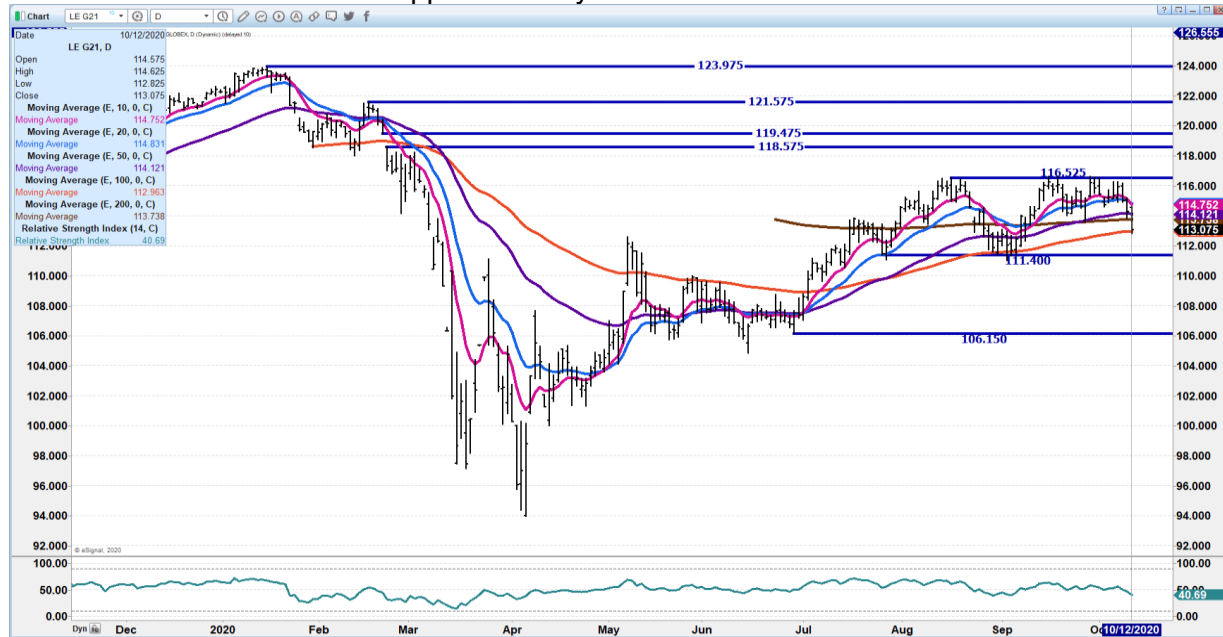


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FEB 2021 LIVE CATTLE - Support Monday's low at 112.95 Resistance at 114.75 to 116.52



Feeder Cattle

THE CME FEEDER INDEX ON 10/09/2020 WAS 141.23 DOWN 59 CENTS FROM PREVIOUS DAY –

OCTOBER 2020 FEEDER CATTLE SETTLED ON OCTOBER 12, 2020 AT \$137.30

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

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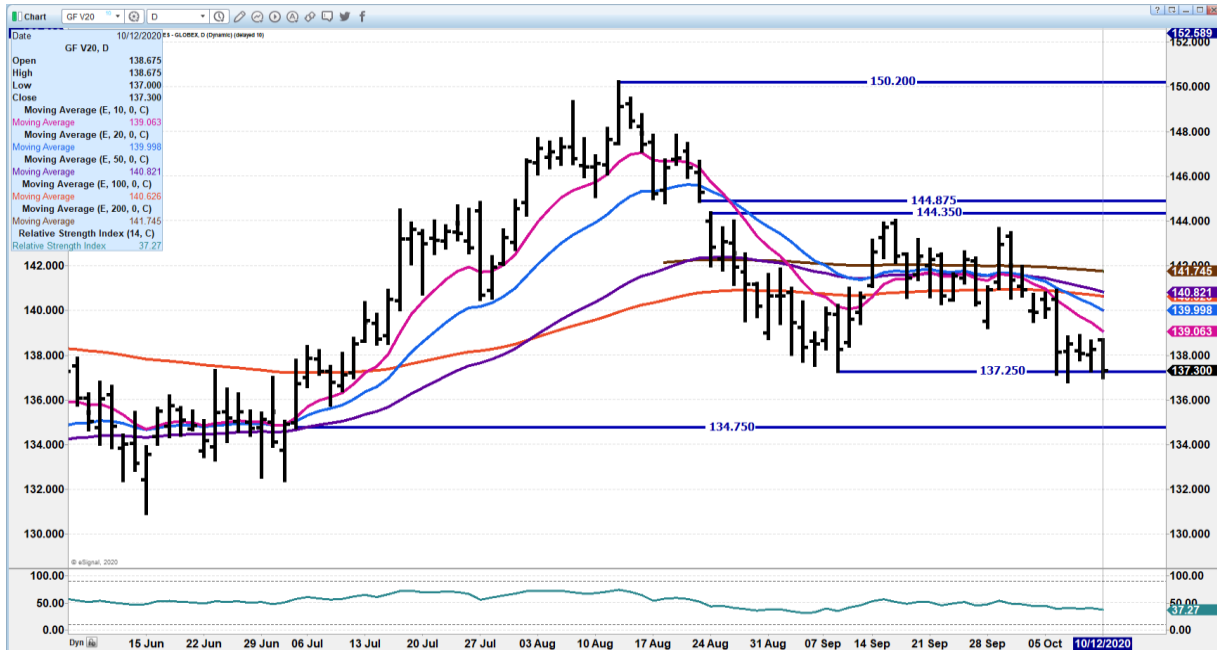
YEARLINGS THAT ARE ABLE TO FIT THE APRIL CME CONTRACT. VACCINATION PROGRAMS AND A 45 TO 60 DAY WEANING PERIOD ARE STRESSED BY AUCTIONS THIS TIME OF YEAR AS HANDSOME PRICES FOR CALVES CAN BE ACHIEVED HOWEVER NON WEANED CALVES WILL BE MET WITH STEEP DISCOUNTS.

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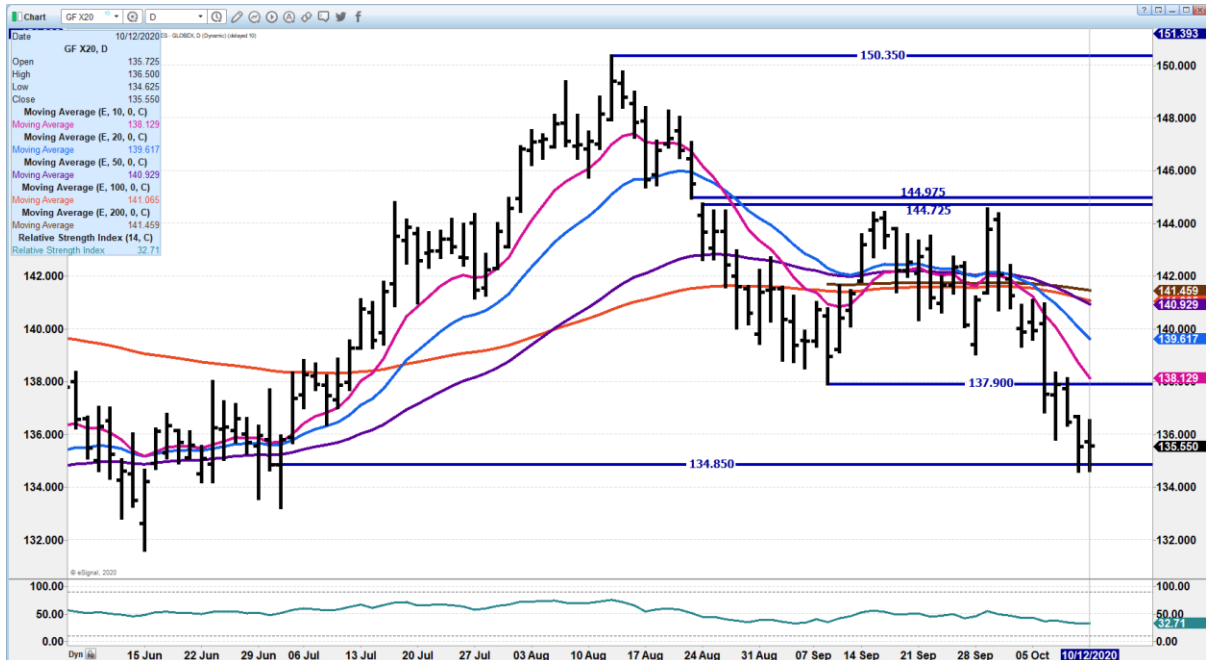
JANUARY 2021/MARCH 2021 FEEDER CATTLE SPREAD - SPREAD IS NARROW. A CLOSE OVER PLUS 1.35 IS FRIENDLY



OCTOBER 2020 FEEDER CATTLE – SUPPORT AT 137.25 RESISTANCE AT 139.05



NOVEMBER 2020 FEEDER CATTLE - SUPPORT AT 134.85 RESISTANCE AT 138.15



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

OCTOBER 12, 2020	490,000
WEEK AGO	489,000
YEAR AGO	487,000

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CME CASH HOG INDEX 10/08/2020 AT 77.71 UP 9 CENTS FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 10/09/2020 AT 94.51 UP 53 CENTS FROM PREVIOUS DAY.

CME CASH FRESH BACON INDEX ON 10/09/2020 WAS 200.47 COMPARED TO 10/02/2020 WAS 194.37

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Hog weights are going up. Slaughter Monday at 490,000 is one of the largest since market slowed last spring. Packers don't seem to have trouble finding hogs because if they did, it is likely weights would break.

Hog futures volume is unbelievable light. After three day's of topping, combined with light volume, be prepared for a reversal. Cutout is up but now it's bellies moving the cutout. Rallies need loins and hams to move markets.

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OCTOBER HOGS SETTLED \$11.77 OVER DECEMBER UP .77 CENTS ON MONDAY.

In 2018 when October hogs settled \$13.50 over December the market did the exactly the opposite on the December-February Spread and the spread dropped with December moving minus 13.62 under February and settling at minus 9.55

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OCTOBER 12, 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 12, 2020
LOADS OF PORK CUTS: 274.55
LOADS TRIM/PROCESSED PORK: 34.23



FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
10/12/2020	308.78	94.31	88.43	95.13	68.15	151.53	67.84	165.83
CHANGE :		-0.49	0.61	-2.70	-1.27	2.89	-3.88	2.55
Five Day Average --		94.44	87.51	97.19	67.85	148.90	71.95	161.75

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

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NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE
SLAUGHTER DATA FOR OCTOBER 9 AND 10, 2020

Average carcass weight - 285.09
Average live weight - 213.27

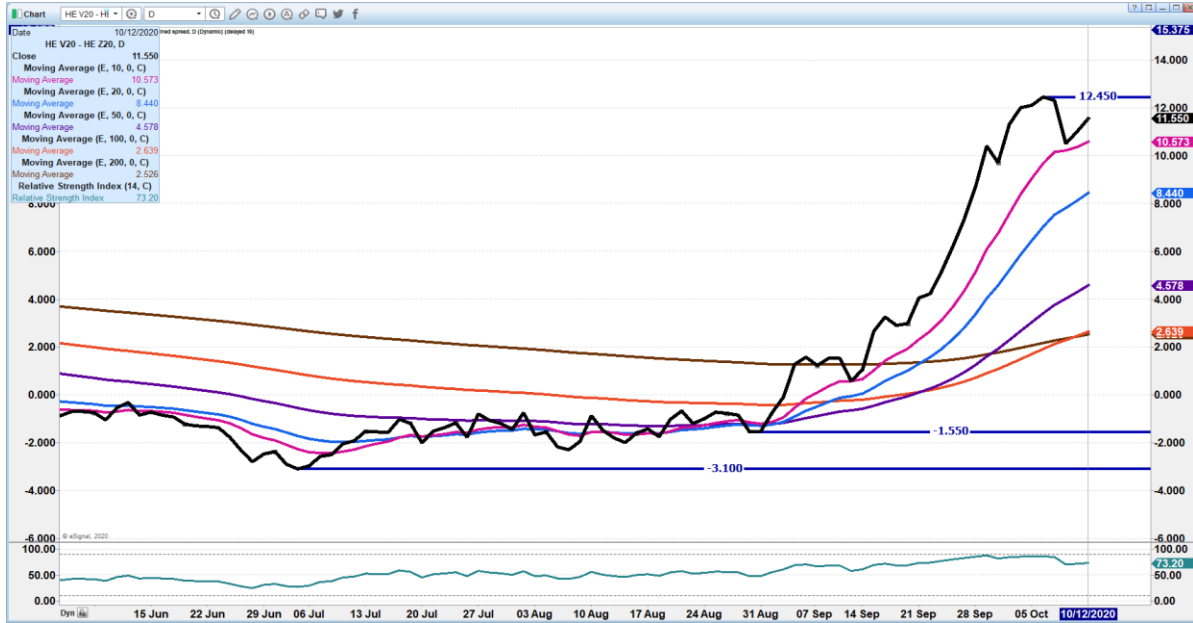
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DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM October 12, 2020
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES
Carcass Base Price: \$58.00 - \$66.00
Weighted Average: \$63.99
Change from Prior Day: 0.60 lower
HOGS SOLD: 5,892

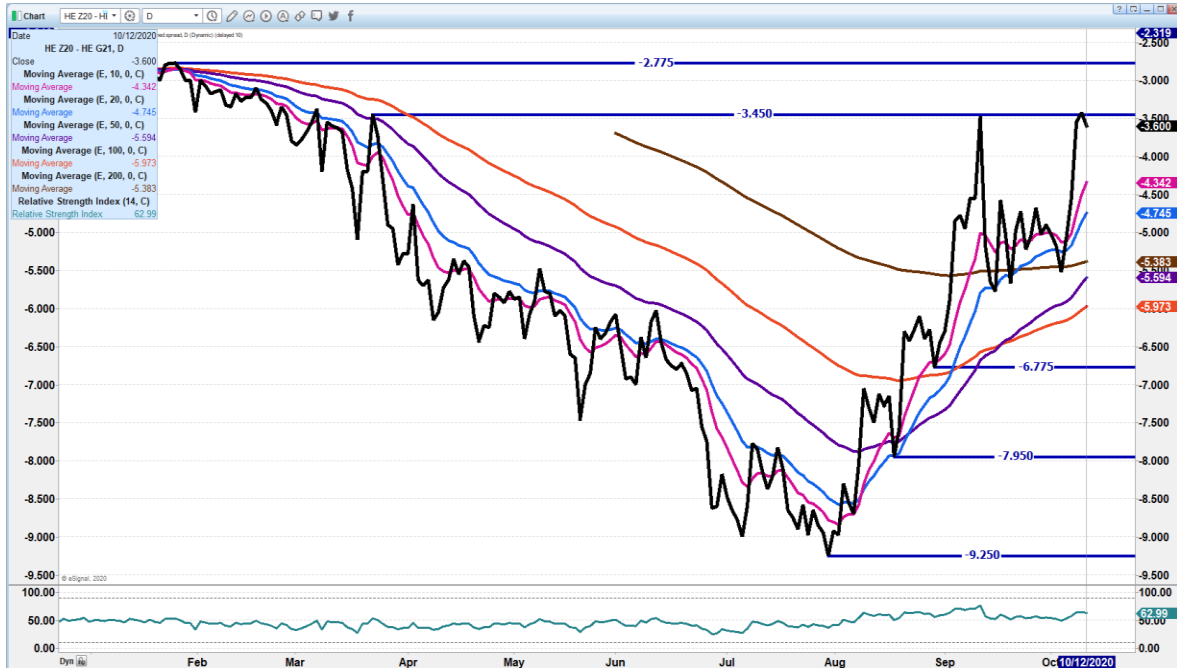
SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)
PRICE RANGE: \$59.95 - \$90.37
Weighted Average: \$77.17
Previous Day: \$76.71
HOGS SOLD: 229,858

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

OCTOBER 2020/DECEMBER 2020 LEAN HOG SPREAD – LONG OCTOBER FAR ABOVE
DECEMBER AND TRADERS LONG NOT GETTING OUT



DECEMBER 2020/FEBRUARY 2021 LEAN HOG SPREAD - WATCH FOR DEC TO LOSE TO FEB AND DOING OPPOSITE OF OCT/DEC SPREAD



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CTOBER 2020 LEAN HOGS – Futures go off this week



**DECEMBER 2020 LEAN HOGS – Resistance at 68.02 to 69.80 Support at 64.80 to 62.87
Light volume at 13,075**

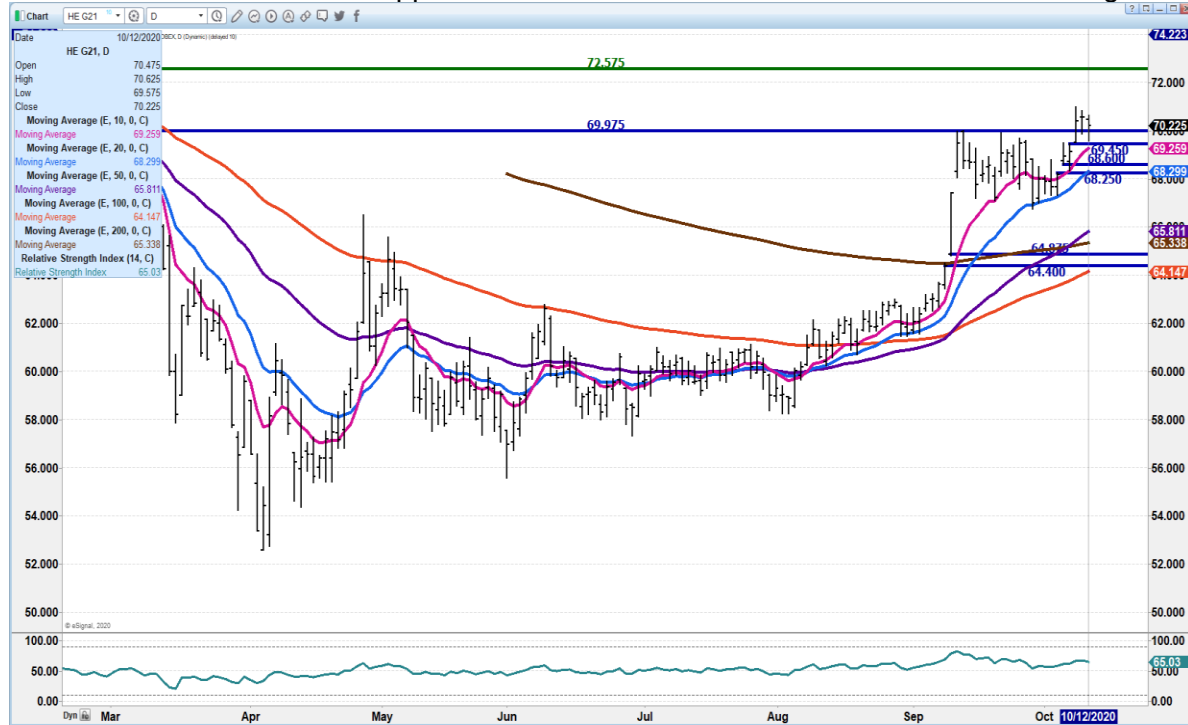


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FEB 2021 LEAN HOGS – Support at 69.25 to 68.20 Resistance at 70.22 Volume light at 6992



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