



## Morning October 14, 2020 Livestock Report

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### CATTLE

#### USDA FEDERAL SLAUGHTER

OCTOBER 13, 2020	120,000
WEEK AGO	120,000
YEAR AGO	119,000
WEEK TO DATE (EST)	237,000
SAME PERIOD LAST WEEK (EST)	236,000
SAME PERIOD LAST YEAR (ACT)	234,000

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	<b>CHOICE</b>	<b>SELECT</b>
BOXED BEEF FINAL	212.44	200.08
CHANGE FROM PRIOR DAY	(2.18)	(0.26)
CHOICE/SELECT SPREAD:		12.36
TOTAL LOAD COUNT		157
5 DAY SIMPLE AVERAGE:	215.56	203.14

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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 13, 2020

Primal Rib	385.90	346.30
Primal Chuck	173.83	164.95
Primal Round	168.17	166.88
Primal Loin	278.87	256.80
Primal Brisket	153.25	149.74
Primal Short Plate	129.47	129.47
Primal Flank	100.24	98.51

#### 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

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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
10/12	76	23	12	16	127	214.62	200.34
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

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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	82.94 loads	3,317,443 pounds
Select Cuts	45.83 loads	1,833,133 pounds
Trimmings	11.82 loads	472,957 pounds
Ground Beef	16.85 loads	673,953 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 13, 2020 - \$108.82  
OLDEST LONG: 02/20/20 SETTLEMENT AT \$113.50  
0 DELIVERIES

USDA POSTED CATTLE PRICES ON 10/13/2020  
IA/MN – CASH 107.00 on 663 head WEIGHING AVERAGE 1539 DRESSED - 169.00 on 200 head  
AVERAGE CARCASS 1,043 POUNDS  
NE - CASH – 107.00 - 108.00 DRESSED: 169.00 ON 200 HEAD  
KS – CASH No Reportable Trade DRESSED No Reportable Trade  
TX/OK/NM – No Reportable Trade  
CO – Information not available due to confidentiality



National Daily Direct Cattle October 13, 2020  
(5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1483	\$108.09	44,965
Live Heifer:	1306	\$108.56	20,175
Dressed Steer:	967	\$169.64	20,559
Dressed Heifer:	854	\$169.65	6,486

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 Tuesday cattle in Iowa on 663 head sold for \$107. By their average weight, it looks like they were overdue to be sold with an average 1,539 pounds. 200 head sold dressed at 169.00 average carcass weight of 1,043 pounds. The majority of feedlots are holding for \$110 in the Midwest and \$109.00 in the South/Southwest. The showlist is not big and if packers want to keep a big kill, they either will have to pay up this week or the following week even more than \$110.

It is going to hard to break cattle when inventories are current and when packers have profitable margins. Packers want cattle because now they are able to move 120,000 head or more through the plant. Cattle slaughter is back to slaughter levels before the spring meltdown.

On the other hand, there appears to be too many Select and big cattle. The US cattle industry is known for Choice and Prime beef. Putting too much Select on the market could keep Choice from moving up faster. However, it could help exports that want the Select products over Choice.

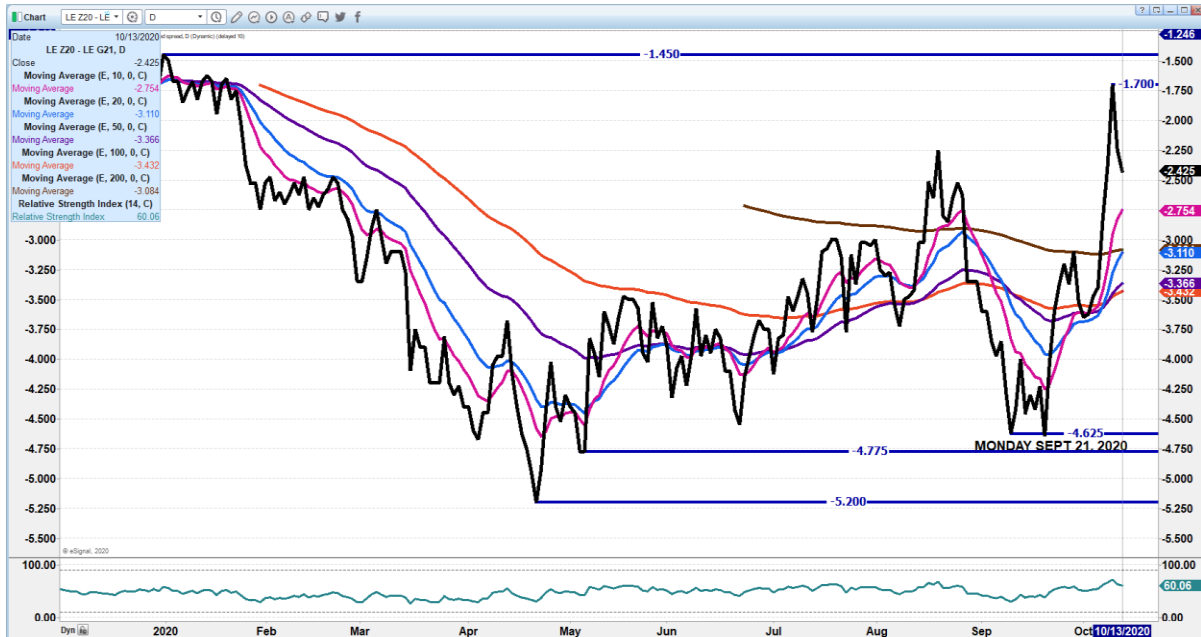
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 The Fed Cattle Exchange for 10/14/2020 has 774 head for the Internet auction.  
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A year ago, OCTOBER 12, 2019, Cattle in the Midwest sold for \$109 to \$110 with cattle in the South and Southwest at \$109.  
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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%.

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DECEMBER 2020/FEBRUARY 2021 LIVE CATTLE SPREAD - SPREAD MAY HAVE TOPPED MOVING TO \$3.00 AREA IS NORMAL



February 2021/April 2021 Live Cattle Spread - Spread is still narrow. If could easily move to lower trendline

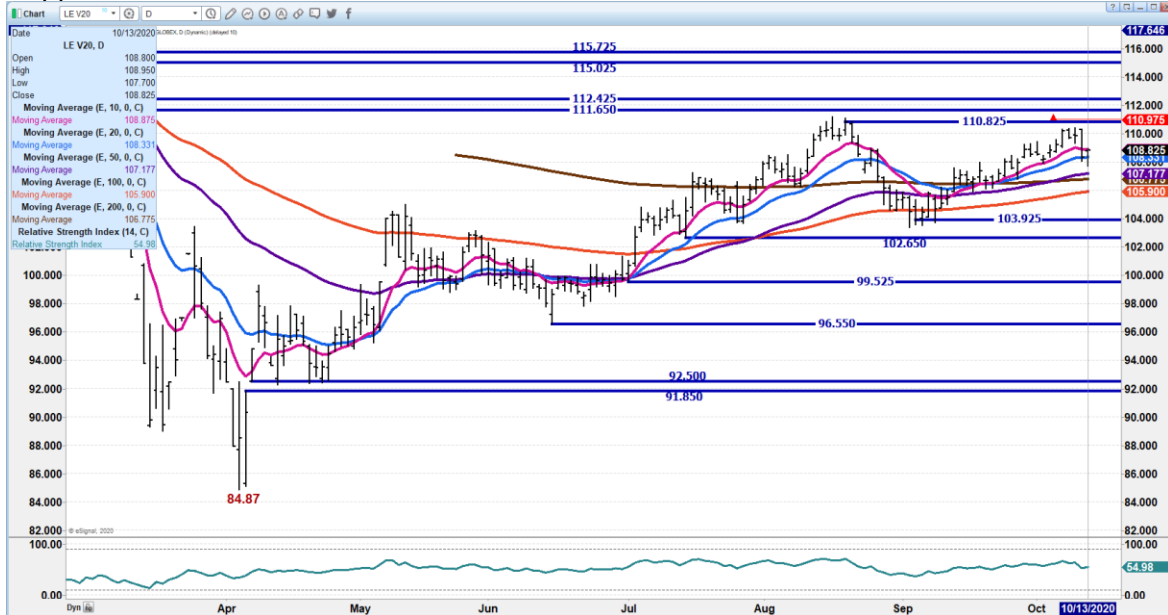


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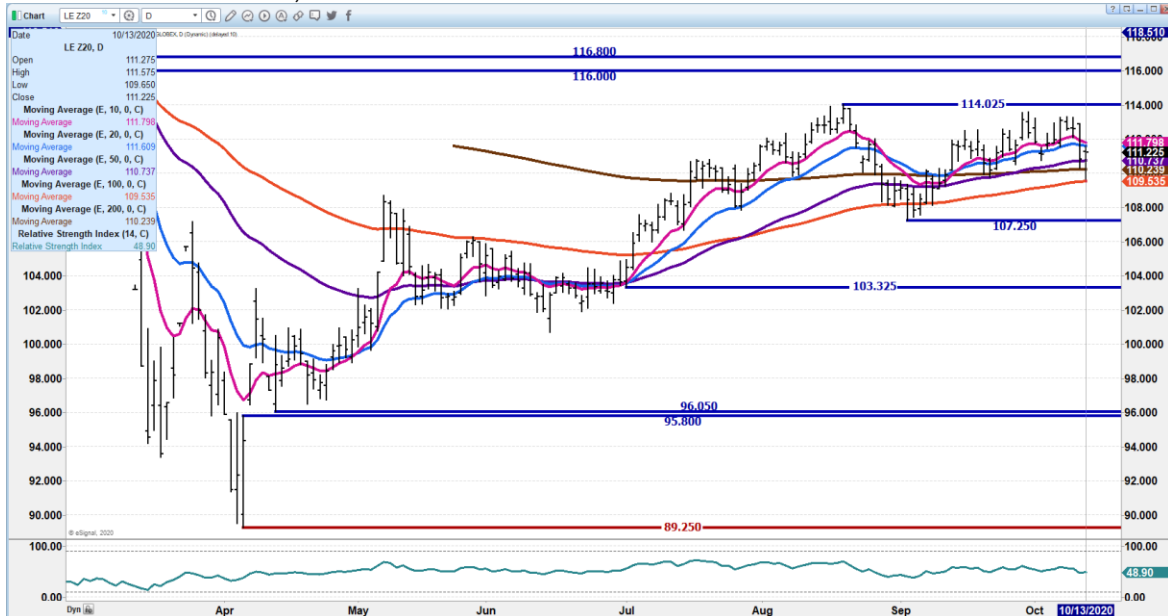
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**OCTOBER 2020 LIVE CATTLE – Dropped but recovered. Resistance 110.97 to 112.42 Support at 107.15 to 105.90**



**DECEMBER 2020 LIVE CATTLE – Resistance at 111.75 to 114.02 Support at 109.35 to 107.25. Volume at 26,321**

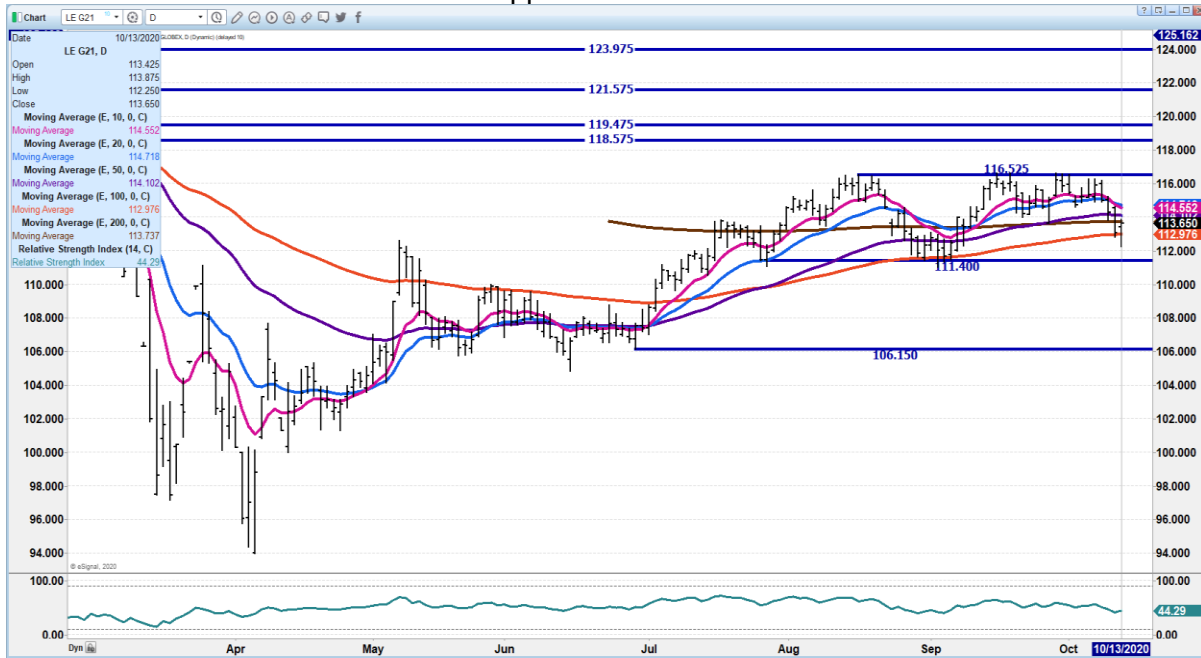


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**FEBRUARY 2021 LIVE CATTLE - Support at 111.37 Resistance at 114.55 to 116.52**



**Feeder Cattle**

THE CME FEEDER INDEX ON 10/12/2020 WAS 140.71 DOWN 52 CENTS FROM PREVIOUS DAY

OCTOBER 2020 FEEDER CATTLE SETTLED ON OCTOBER 13, 2020 AT \$138.12

**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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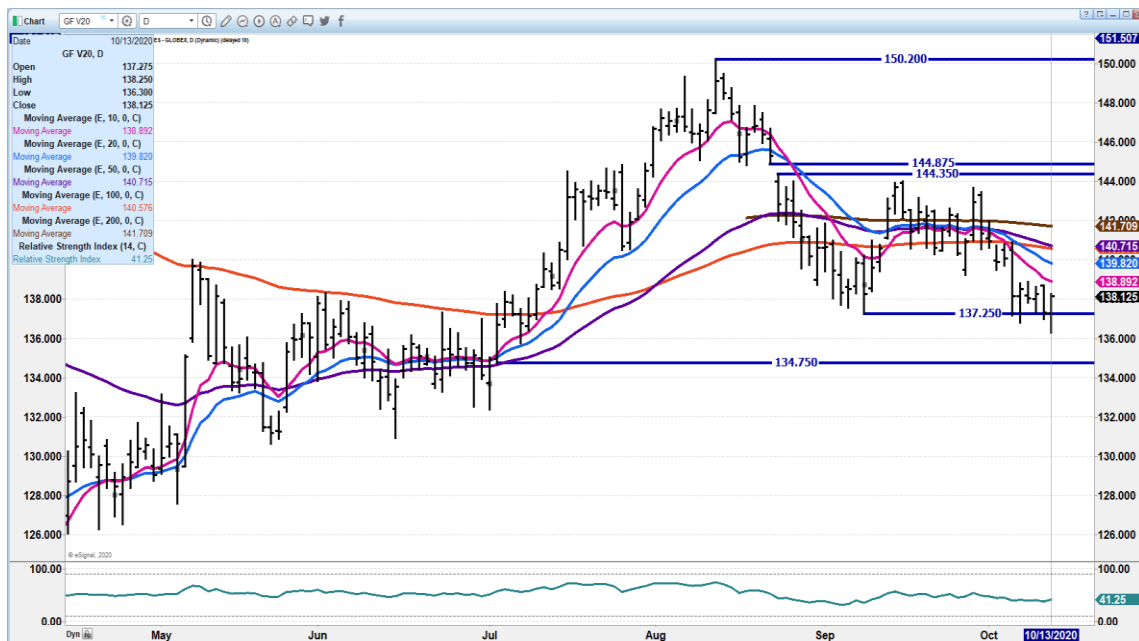
JANUARY 2021/MARCH 2021 FEEDER CATTLE SPREAD - SPREAD IS NARROW. IT IS FRIENDLY



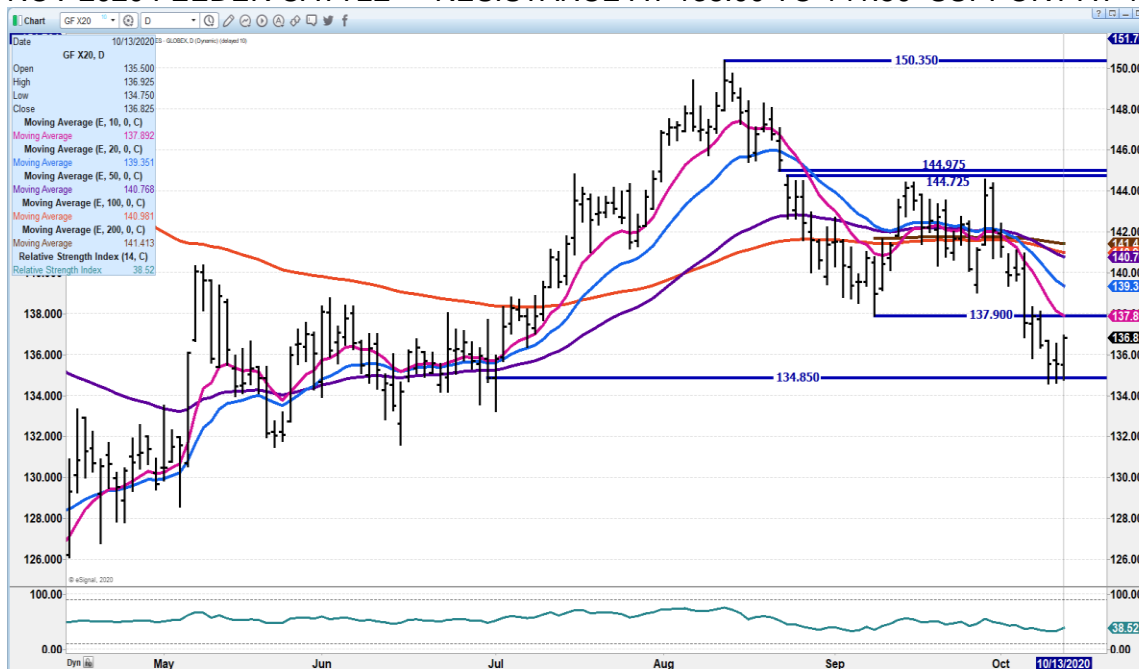
OCTOBER 2020 FEEDER CATTLE – SUPPORT AT 137.25 RESISTANCE AT 139.00 TO 141.70



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### NOV 2020 FEEDER CATTLE - RESISTANCE AT 138.00 TO 141.50 SUPPORT AT 134.85



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## LEAN HOGS

### USDA ESTIMATED FEDERAL HOG SLAUGHTER

OCTOBER 13, 2020	488,000
WEEK AGO	487,000
YEAR AGO	489,000
WEEK TO DATE (EST)	966,000
SAME PERIOD LAST WEEK (EST)	976,000
SAME PERIOD LAST YEAR (ACT)	976,000

\*\*REVISED MONDAY HOG SLAUGHTER..478,000\*\* PREVIOUS ESTIMATE WAS 490,000

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CME CASH HOG INDEX 10/09/2020 AT 78.14 UP 43 CENTS FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 10/12/2020 AT 94.51 DOWN 13 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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Hams and bellies Tuesday playing the yoyo game. Hams were up \$15.43 early Monday and then settled up \$4.04. Bellies gained \$13.30 for early and settled up \$1.81. Loins were up \$1.56 early and settled up \$1.50. Carcass was up early at \$101.03 plus 6.72 and end up the day at \$95.90 plus \$1.59.

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OCTOBER HOGS SETTLED \$11.65 OVER DECEMBER ON OCTOBER 13,2020.

In 2018 October hogs settled \$13.50 over December. When October 2018 closed out. the market did the exactly the opposite on the December 2018-February 2019. The Dec 2018/Feb 2019 spread moved December 2018 minus \$13.62 under February 2019 and it settled at minus \$9.55. December was the short leg with October 2018/ December 2018 spread and the short leg on the Dec 2018/Feb 2019 spread . As of October 13, 2020 the December/February spread has Dec 2020 minus \$3.97 to Feb 2021.

### 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 13, 2020

LOADS OF PORK CUTS: 208.81

LOADS TRIM/PROCESSED PORK: 15.04

**FINAL**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
10/13/2020	362.45	95.90	89.93	95.42	67.03	152.65	71.88	167.64
CHANGE :		1.59	1.50	0.29	-1.12	1.12	4.04	1.81
Five Day Average --		95.11	88.23	96.73	68.06	149.86	72.85	163.28

**NOON**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
10/13/2020	223.85	101.03	89.99	96.17	70.85	150.98	83.27	179.13
CHANGE :		6.72	1.56	1.04	2.70	-0.55	15.43	13.30
Five Day Average --		96.14	88.24	96.88	68.82	149.53	75.13	165.58

**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

**FRIDAY OCTOBER 9, 2020 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

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**NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE  
SLAUGHTER DATA FOR OCTOBER 12, 2020**

Average carcass weight - 282.71

Average live weight - 211.28

**DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM October 13, 2020**

**NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**

Carcass Base Price: \$58.00 - \$67.00

Weighted Average: \$63.79

Change from Prior Day: 0.19 lower

HOGS SOLD: 7,805

**SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)**

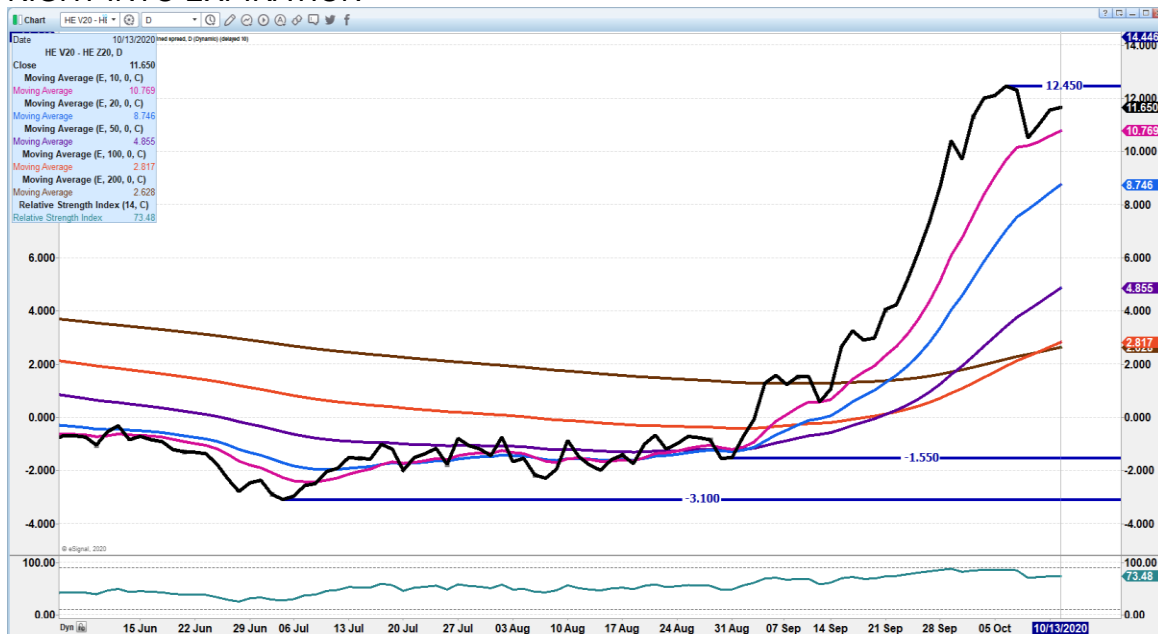
PRICE RANGE: \$59.95 - \$89.88



Weighted Average: \$76.91  
 Previous Day: \$77.17  
 HOGS SOLD: 150,680

[https://www.ams.usda.gov/mnreports/lm\\_hq203.txt](https://www.ams.usda.gov/mnreports/lm_hq203.txt)

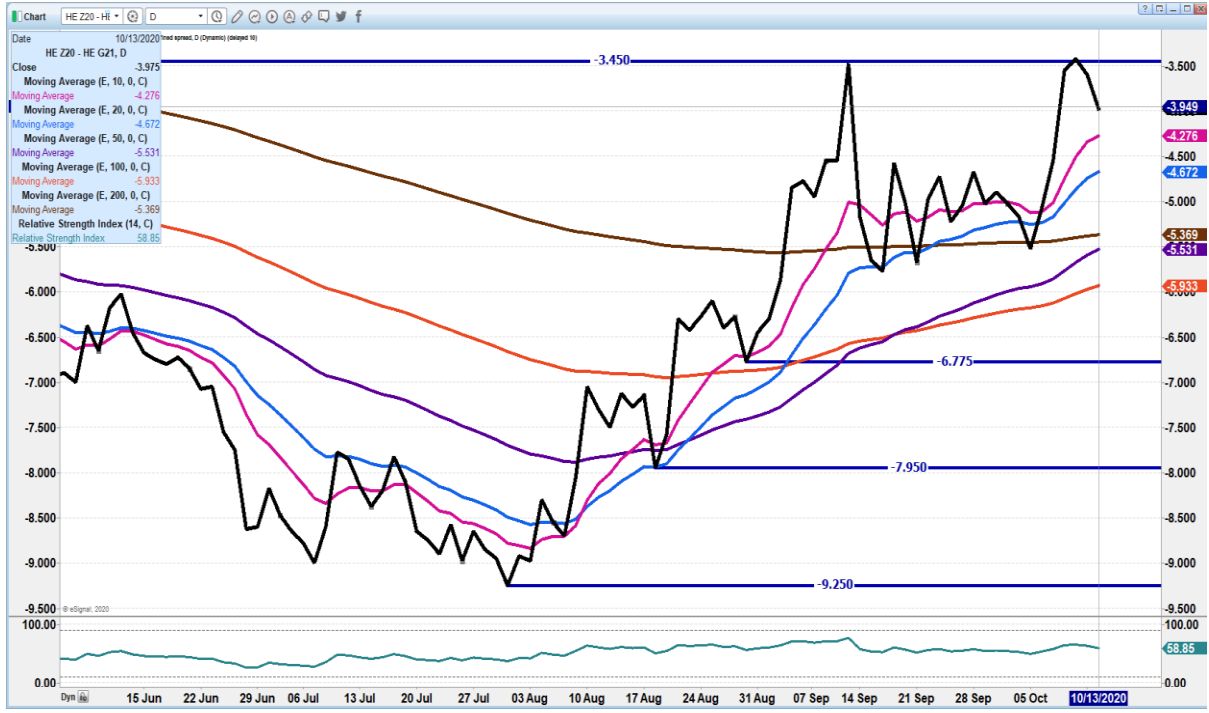
**OCTOBER 2020/DECEMBER 2020 LEAN HOG SPREAD – SHOULD REMAIN STRONG RIGHT INTO EXPIRATION**



**DECEMBER 2020/FEBRUARY 2021 LEAN HOG SPREAD - MAY HAVE TOPPED. IF LIKE 2018 COULD BEGIN TO WIDEN OUT. IMPORTANT CHART TO FOLLOW**



Daily Futures Market Commentary



OCTOBER 2020 LEAN HOGS – At CME Index Don't see much movement





**DECEMBER 2020 LEAN HOGS – Needs to hold 64.65 Next support at 62.85 Resistance at 67.45 to 70.00. Volume 17,647**



**FEBRUARY 2021 LEAN HOGS – Support at 68.25 Resistance at 70.97 to 72.57**



CHARTS FROM ESIGNAL INTERACTIVE, INC.

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