



## MORNING November 16, 2020 Livestock Report

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### CATTLE

#### USDA FEDERAL CATTLE SLAUGHTER

NOVEMBER 13, 2020	118,000	
WEEK AGO	109,000	
YEAR AGO	119,000	
SATURDAY 11/14/2020	63,000-	A WEEK AGO 59,000, YEAR AGO 73,000
WEEK TO DATE (EST)	653,000	
SAME PERIOD LAST WEEK (EST)	647,000	
SAME PERIOD LAST YEAR (ACT)	663,000	
2020 YEAR TO DATE	28,056,000	
*YEAR TO DATE	29,126,000	
Percent change year to date	-3.7%	Previous week -3.8%

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	CHOICE	SELECT
BOXED BEEF FINAL	225.98	209.46
CHANGE FROM PRIOR DAY	(0.52)	1.22
CHOICE/SELECT SPREAD:		16.52
TOTAL LOAD COUNT		171
5 DAY SIMPLE AVERAGE:	220.66	205.22

	CHOICE	SELECT
PREVIOUS WEEK 11/06/2020		
BOXED BEEF FINAL PRICE	214.32	198.49

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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 NOVEMBER 13, 2020

Primal Rib	424.98	357.00
Primal Chuck	188.98	183.42
Primal Round	188.58	188.04
Primal Loin	279.69	248.18
Primal Brisket	152.15	148.26
Primal Short Plate	125.84	125.84
Primal Flank	105.65	102.18



**PREVIOUS WEEK FINAL NOVEMBER 6, 2020**

<b>Primal Rib</b>	<b>400.63</b>	<b>333.80</b>
<b>Primal Chuck</b>	<b>174.72</b>	<b>171.75</b>
<b>Primal Round</b>	<b>176.72</b>	<b>174.04</b>
<b>Primal Loin</b>	<b>271.81</b>	<b>240.13</b>
<b>Primal Brisket</b>	<b>151.34</b>	<b>152.63</b>
<b>Primal Short Plate</b>	<b>123.61</b>	<b>123.61</b>
<b>Primal Flank</b>	<b>101.41</b>	<b>99.46</b>

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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
11/12	51	13	12	13	90	226.50	208.24
11/11	90	29	5	23	147	222.84	208.46
11/10	96	20	13	8	136	222.25	208.55
11/09	64	20	18	21	122	217.39	202.37
11/06	60	21	23	11	115	214.32	198.49

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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)**

<b>Choice Cuts</b>	<b>123.27 loads</b>	<b>4,930,651 pounds</b>
<b>Select Cuts</b>	<b>11.21 loads</b>	<b>448,412 pounds</b>
<b>Trimming</b>	<b>26.68 loads</b>	<b>1,067,076 pounds</b>
<b>Ground Beef</b>	<b>9.47 loads</b>	<b>378,981 pounds</b>

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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)

**Export Sales for Week Ending November 5, 2020 on last page of report**

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**NOVEMBER USDA LIVESTOCK REPORTS**

**CATTLE ON FEED REPORT NOVEMBER 20, 2020 AT 2:00PM CENTRAL TIME**  
**COLD STORAGE REPORT NOVEMBER 23, 2020 2:00PM CENTRAL TIME**

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**USDA POSTED CATTLE PRICES ON 11/13/2020**

**IA/MN – CASH 108.00 - 110.00 - DRESSED 170.00 - 172.00**  
**NE - CASH – 108.00 - 110.00.- 172.00 - 172.50**



KS – CASH 110.00 - 112.00 DRESSED 172.00 - 173.00  
 TX/OK/NM – 110.00  
 CO – Information not available due to confidentiality

**\*\*\*National Daily Direct Cattle November 13, 2020  
 (5 day accumulated weighted avg)**

	Weight	Price	Head
Live Steer:	1511	\$108.96	38,239
Live Heifer:	1350	\$108.65	12,817
Dressed Steer:	977	\$171.34	15,282
Dressed Heifer:	867	\$170.72	4,109

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**FRIDAY, NOVEMBER 13<sup>th</sup>**

How much of Friday’s downturn in Live Cattle, Feeder Cattle and Lean Hogs was due to fear of COVID 19 or was it simply algorithms moving markets. After all cash cattle prices were from \$110.00 to a few at \$112.00 this week and Choice boxed beef gained \$11.66 . Packers killed 653,000 head this week and cattle are averaging 18 pounds above a year ago. These are not negative fundamentals. Keep in mind, it is November and when there is not a spot market, algorithms move markets.

But there is a fear among traders that COVID 19 will slowdown packers or some may have to shut down if there aren’t enough workers. As COVID 19 surges across the U.S. there is also the fear that businesses in regions will have stoppages. Traders claim the fear that COVID 19 will hit the packing industry again shutting down packers and at the same time laying off workers across the US was the reason that Live Cattle, Feeder Cattle and Lean hogs traded lower Friday. COVID 19 is the Sword of Damocles that has been hanging over the packing industry and the world.

COVID 19 is increasing with day after day new records of infections and infection rates are some of the highest in agricultural producing states from Texas to the northern Midwest being hit the hardest.

Hoarding of beef has been and is occurring. People in the US are seeing cities issue stringent guidelines on restaurants, bars, and some non-essential workplaces. Several schools are closing because there aren’t enough healthy teachers. There are hospitals across the Midwest especially in rural areas that are completely full. COVID 19 is a hard real fundamental.



Traders remember what happened last spring and going into the weekend they liquidated long trades off their books. Cattle have rallied this week and Friday traders didn't want to chance what might happen between 1:00PM Central time Friday and 8:30AM Monday morning.

Of course, as boxed beef prices go up, packers make more money. Packer margins show third quarter results far better than expected and they remember the margins they made last spring. They said they were worried meat supplies in the US and world would fall apart, but at the same time packer profit margins soared.

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Countries such as China are inspecting shipments for the virus. Over the weekend the virus was found on more shipments from Brazil and Argentina. This meat is rejected by China but it is not being destroyed. Other countries will buy it and as it happened in Germany when China and a few other countries banned pork because of African Swine Fever in wild hogs, it didn't take but two weeks for Germany to export the pork to other countries. Several countries including the US are importing beef from Brazil, and when China rejects beef or pork, US importers could be a country to take some of it.

Don't be surprised if COVID isn't found in US shipments at some point and is rejected.

Be prepared for any possible situation that COVID 19 may or may not do. COVID 19 is not going away and it is expected to increase throughout the next few months.

A packer in New Mexico this week was shut down and the packer is taking New Mexico to court. Depending on the outcome, it will be used as a test case to see what might happen if other states shut down packing and processing facilities.

Many countries over the past few weeks have closed borders and shut down cities. As it happened last spring, it is possible they might delay shipments.

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As of November 10, 2020, dressed steer and heifer weights were 891.2 compared to previous week at 900.9 down 9.7 pounds from week ago and 18 pounds over a year ago compared to a week ago up 24 pounds. Grading percent was 81.6%, down compared to previous week at 81.5%.

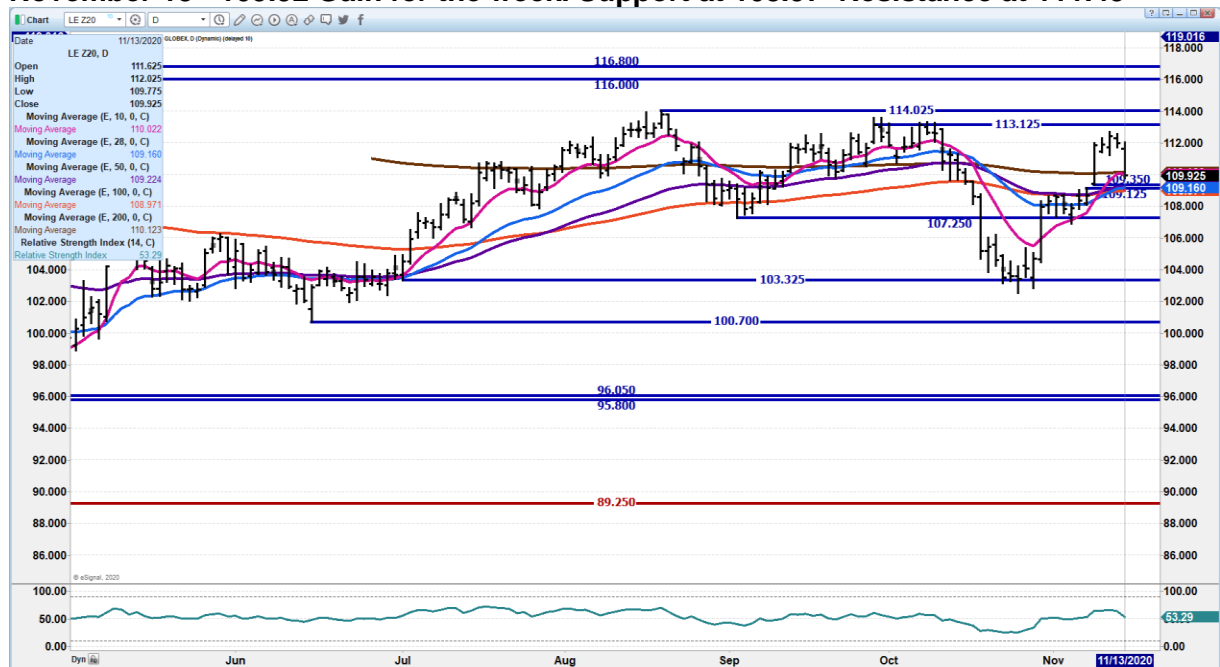




**FEBRUARY 2021 LIVE CATTLE/APRIL 2021 LIVE CATTLE SPREAD - WATCH TO SEE IF APRIL WIDENS TO FEB. IF IT DOES IT IS BEARISH**



**DEC 2020 LIVE CATTLE - A week ago November 6<sup>th</sup> settlement 108.65. Settlement on November 13<sup>th</sup> 109.92 Gain for the week. Support at 108.97 Resistance at 111.45**

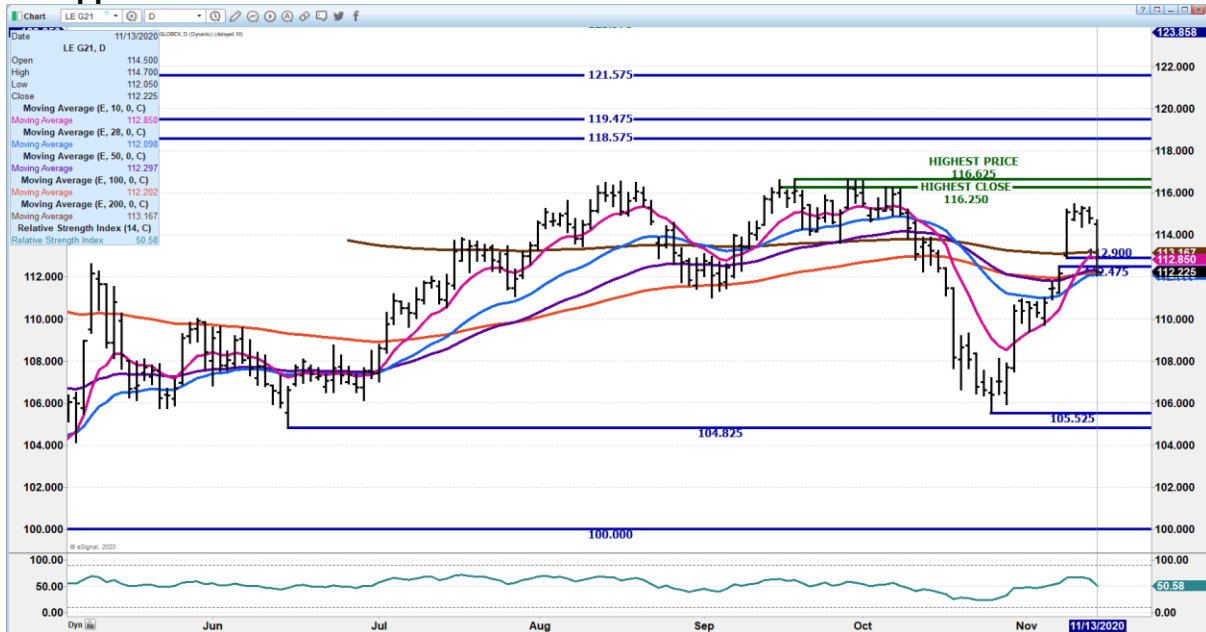


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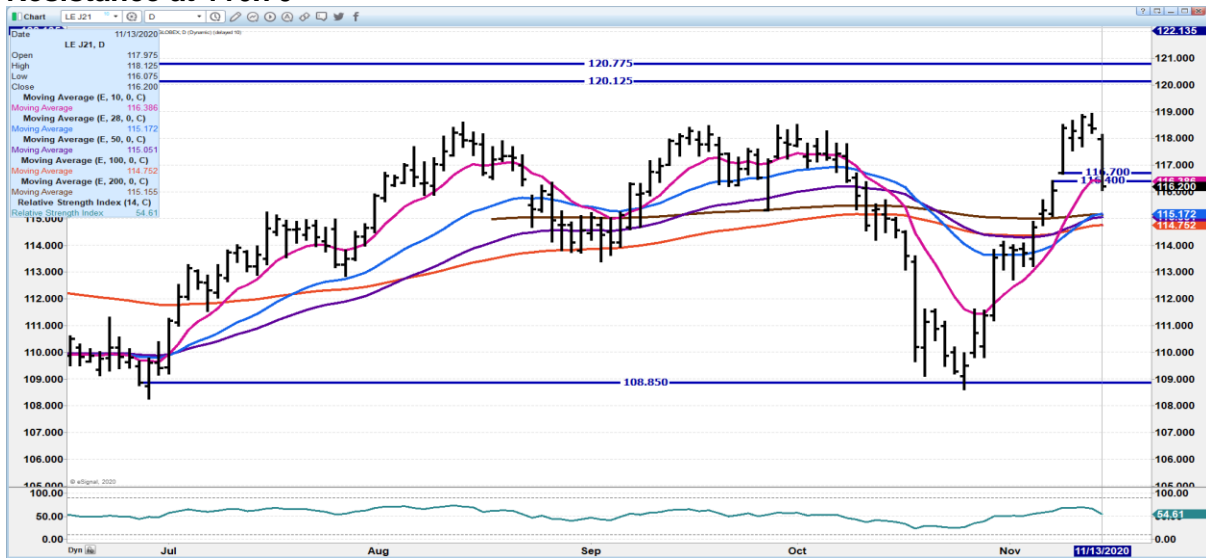
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**FEBRUARY 2021 LIVE CATTLE – A week ago November 6th settlement 112.15  
Settlement on November 13<sup>th</sup> 112.25 10 cent gain for the week Volume 25 832 . Dropped  
to support at 112.00. Resistance 113.27**



**APRIL 2021 LIVE CATTLE – A week ago November 6th settlement 116.05 Settlement on  
November 13<sup>th</sup> 116.20 Fell below 10 day average and gap.. Next support at 115/30  
Resistance at 116.70**



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## Feeder Cattle

**THE CME FEEDER INDEX ON 11/12/2020 WAS 137.35 UP .65 FROM PREVIOUS DAY – THE CME FEEDER INDEX ON 11/05/2020 WAS 136.63**

**NOVEMBER 2020 FEEDER CATTLE FUTURES SETTLED ON NOVEMBER 13, 2020 AT \$137.47**

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#### NATIONAL FEEDER & STOCKER SUMMARY - WEEK ENDING 11/13/2020

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	305,300	75,100	10,400	390,800
LAST WEEK:	222,900	26,800	18,800	268,500
YEAR AGO:	299,000	51,200	4,000	354,200

**COMPARED TO LAST WEEK, STEERS AND HEIFERS SOLD 2.00 TO 5.00 HIGHER, WITH INSTANCES OF SOME INDIVIDUAL LIVESTOCK AUCTIONS BEING REPORTED 7.00 TO 10.00 HIGHER. THOSE AUCTIONS WOULD NOT HAVE BEEN PRIVY TO THE FULL INCREASE FROM LAST WEEK'S HIGHER TREND. DEMAND WAS GOOD FOR STEER AND HEIFER CALVES AS WELL AS TRUE YEARLINGS**

[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/SJ\\_LS850.TXT](https://www.ams.usda.gov/mnreports/SJ_LS850.TXT)

### JANUARY 2021/MARCH 2021 FEEDER CATTLE SPREAD – SPREAD IS BULL SPREAD.



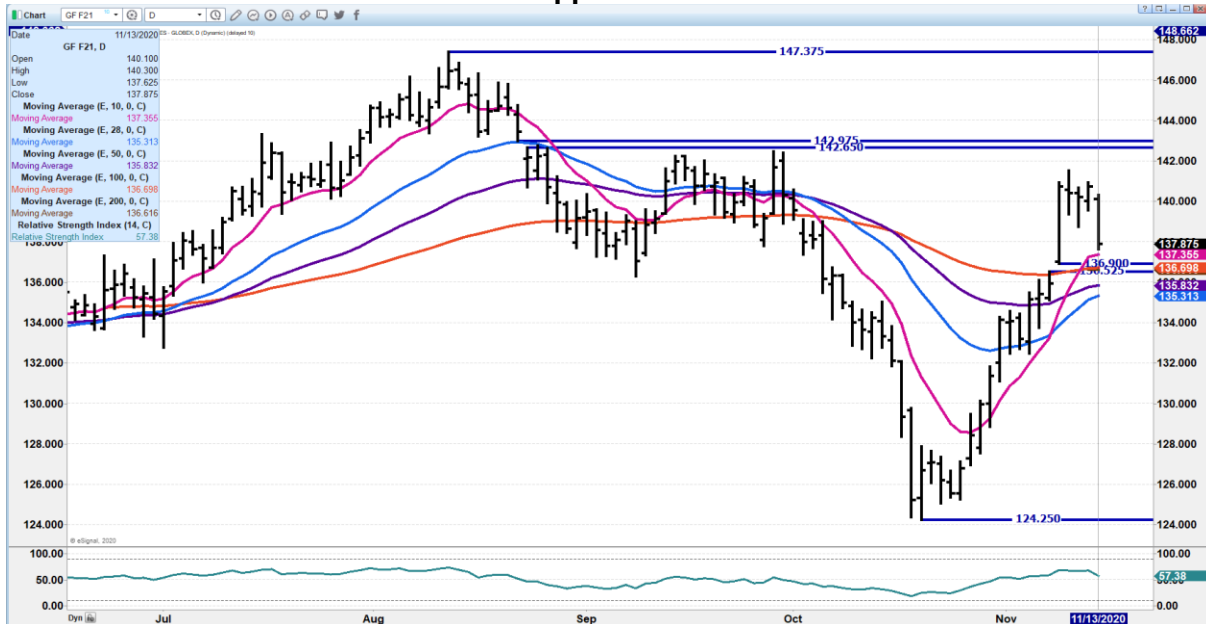
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**NOVEMBER 2020 FEEDER CATTLE - A WEEK AGO NOVEMBER 6TH SETTLEMENT 137.70 SETTLEMENT ON NOVEMBER 13TH 137.47 FELL TO SUPPORT AT 137.47 NEXT SUPPORT AT 135.25 RESISTANCE AT 140.25**



**JANUARY 2021 FEEDER CATTLE – A week ago November 6th settlement 135.92 Settlement on November 13th 137.87 Support 136.65 Resistance at 140.72**



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## **LEAN HOGS**

### **USDA ESTIMATED FEDERAL HOG SLAUGHTER**

<b>NOVEMBER 13, 2020</b>	<b>477,000</b>	
<b>WEEK AGO</b>	<b>488,000</b>	
<b>YEAR AGO</b>	<b>485,000</b>	
<b>SATURDAY 11/14/2020</b>	<b>288,000-</b>	<b>A WEEK AGO 260,000 - YEAR AGO 355,000</b>
<b>WEEK TO DATE (EST)</b>	<b>2,688,000</b>	
<b>SAME PERIOD LAST WEEK (EST)</b>	<b>2,713,000</b>	
<b>SAME PERIOD LAST YEAR (ACT)</b>	<b>2,761,000</b>	
<b>2020 YEAR TO DATE</b>	<b>113,739,000</b>	
<b>2019 *YEAR TO DATE</b>	<b>112,779,000</b>	

**PERCENT CHANGE YEAR TO DATE .9% COMPARED TO PREVIOUS WEEK AT .9%**

**\*\*REVSIED THURSDAY HOG SLAUGHTER..483,000 PREVIOUS ESTIMATE 492,000**

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**CME CASH HOG INDEX 11/11/2020 AT 71.32 DOWN .05 FROM PREVIOUS DAY**

**[CME CASH HOG INDEX 11/04/2020 AT 71.52](#)**

**CME CASH PORK CUTOUT INDEX 11/12/2020 AT 83.77 DOWN .53 FROM PREVIOUS DAY**

**[CME CASH PORK CUTOUT INDEX 11/05/2020 AT 83.77](#)**

**CME CASH FRESH BACON INDEX ON 11/06/2020 WAS 158.37 COMPARED TO**

**10/30/2020 WAS 188.44**

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**The Lean Hog Index was down from a week ago 30 cents and the CME Pork Index was unchanged.**

**The cash pork cutout lost 3.92 with loins down 3.17, hams falling 8.25 and bellies down 15.46 and dropping below \$100.**

**Lean hogs were down following the trend when hogs topped on October 19<sup>th</sup>. Traders are looking at growing global numbers and prospects US exports will drop. Trade volume was moderate. Also, the livestock complex on Friday traded on the surging new infection rates and the number of people dying per day because of COVID 19 especially in the Midwest. The concern packers will need to close as they did last spring and hogs will back up pushed traders to sell. However, trading opened Friday with very light**



volume without follow through after Thursday's move higher, it is likely the majority of the trade was formula driven selling.

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**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**

**NOVEMBER 13, 2020**

LOADS OF PORK CUTS: 314.72

LOADS TRIM/PROCESSED PORK: 40.11

**FINAL**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
11/13/2020	354.83	80.14	72.94	79.81	74.18	130.79	79.78	95.19
CHANGE :		-2.94	-2.31	-1.93	3.82	-3.32	-4.49	-8.50
Five Day Average --		83.01	74.10	80.79	69.30	132.18	86.84	103.48

**FINAL PREVIOUS WEEK'S CLOSE**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
11/06/2020	307.57	84.06	76.11	80.66	63.22	128.89	88.03	110.65

**NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE**

**SLAUGHTER DATA FOR NOVEMBER 11, 2020**

Average live weight - 287.53

Average carcass - 214.83

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

**NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**

Carcass Base Price: \$53.00 - \$62.33

Weighted Average: \$59.59

Change from Prior Day: 0.33 lower

HOGS SOLD: 5,632

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

PRICE RANGE: \$59.71 - \$78.65

Weighted Average: \$68.90

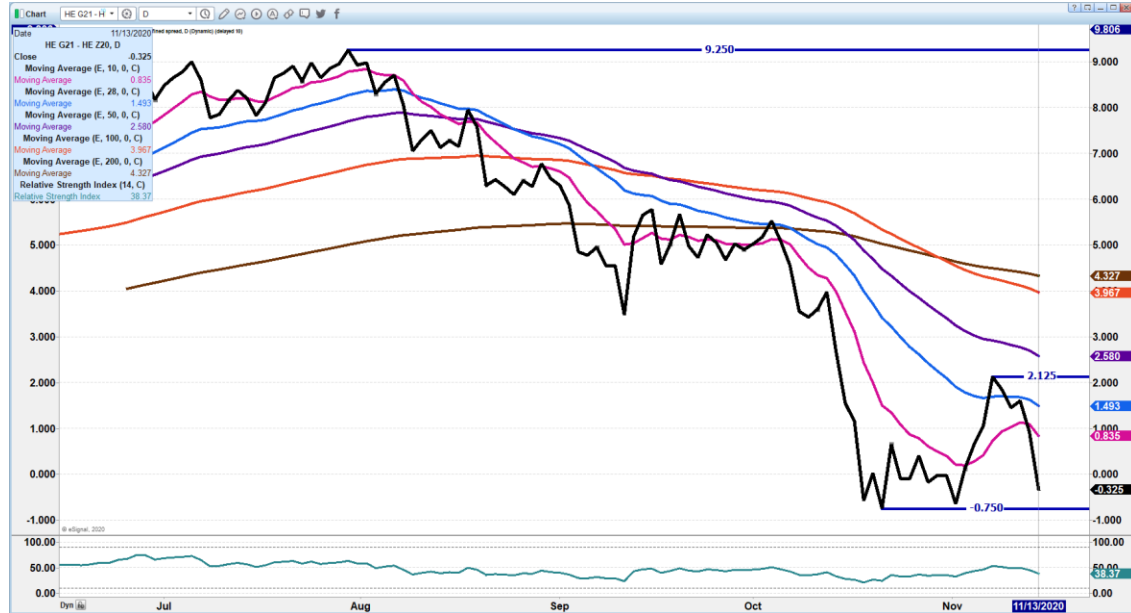
Previous Day: \$69.37

HOGS SOLD: 174,343

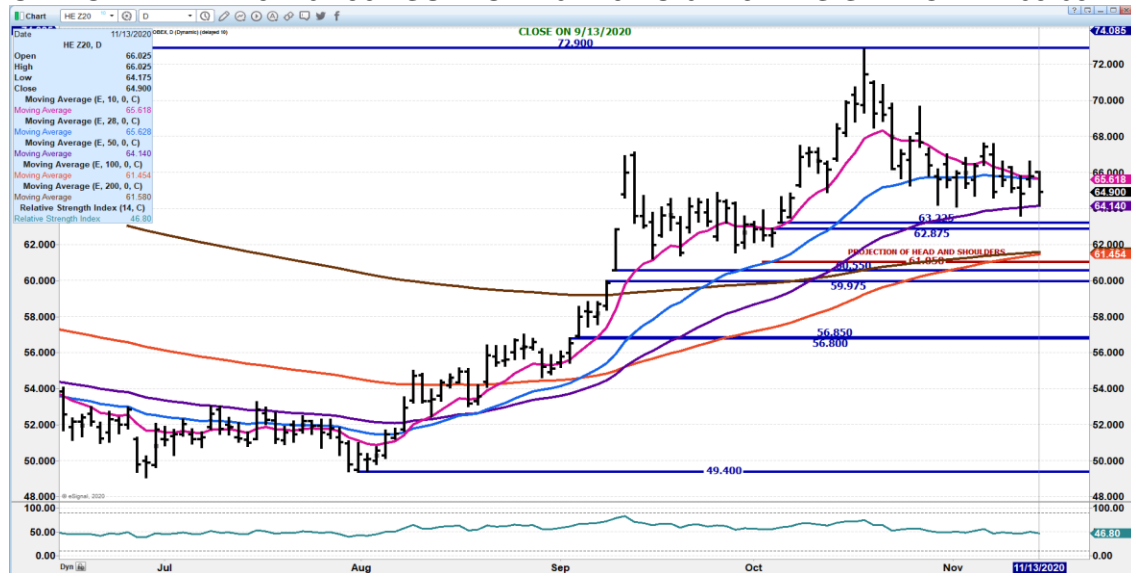


[https://www.ams.usda.gov/mnreports/lm\\_hq203.txt](https://www.ams.usda.gov/mnreports/lm_hq203.txt)

**FEB 2021/DECEMBER 2020 LEAN HOG SPREAD - REVERSAL WITH FEB DRIPPING**



**DEC 2020 LEAN HOGS – A WEEK AGO NOV 6TH SETTLEMENT 64.90 SETTLEMENT ON NOVEMBER 13<sup>TH</sup> 64.90. SUPPORT 64.10 TO 61.45 RESISTANCE AT 65.65**

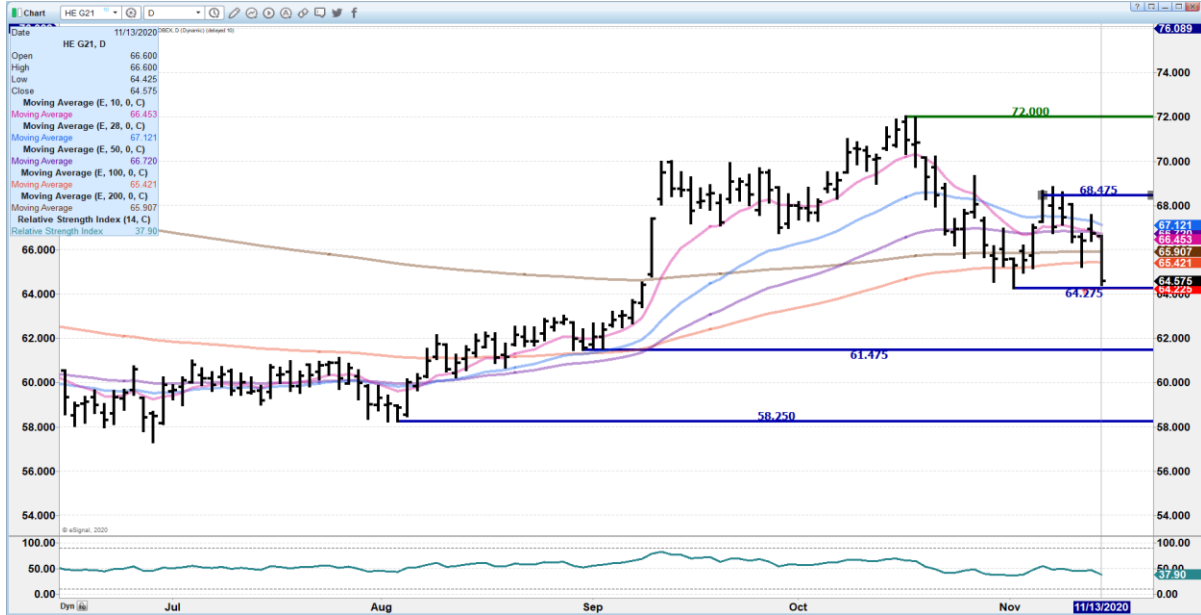


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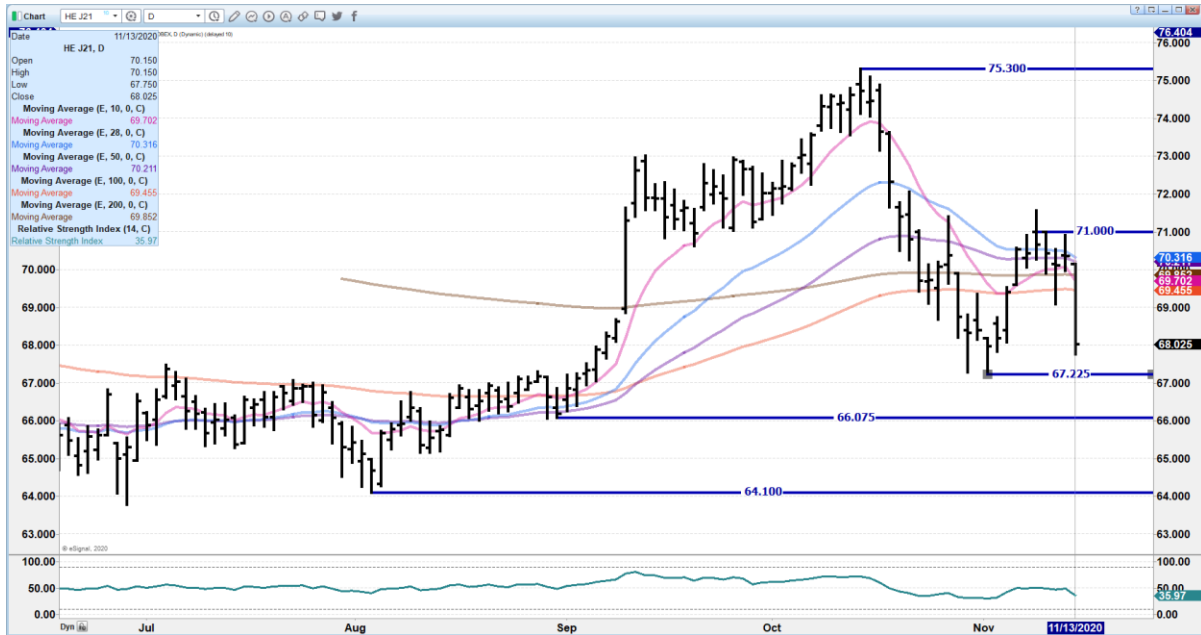
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**FEBRUARY 2021 LEAN HOGS – A WEEK AGO NOV 6TH SETTLEMENT 67.02  
SETTLEMENT ON NOV 13<sup>TH</sup> 64.57. 64.27 SUPPORT TO 63.57 RESISTANCE AT 66.37**



**APRIL 2021 LEAN HOGS – A WEEK AGO NOVEMBER 6TH SETTLEMENT 70.42  
SETTLEMENT ON NOVEMBER 13<sup>TH</sup> 68.02 RESISTANCE AT 69.45 SUPPORT AT 67.22**



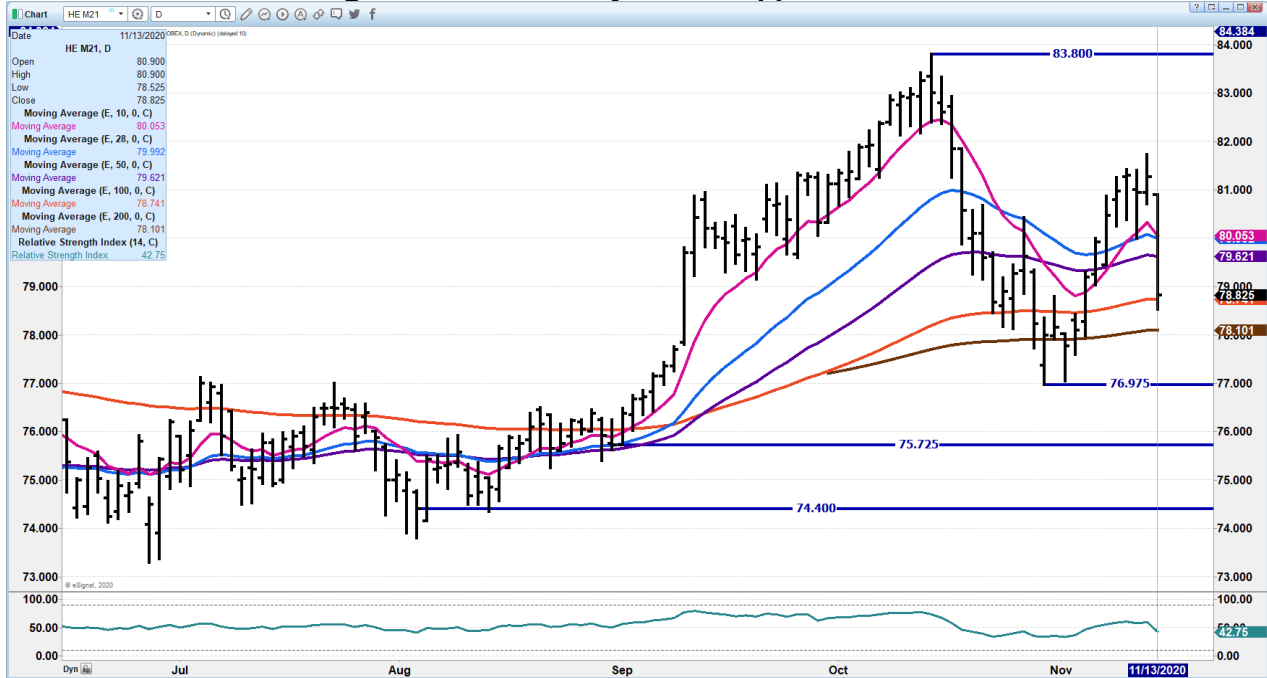
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**JUNE 2021 LEAN HOGS – A week ago November 6th settlement 80.47 Settlement on November 13<sup>th</sup> 78.82 Big move down Friday. Next support at 78.10 Resistance at 80.07**



**CHARTS FROM ESIGNAL INTERACTIVE, INC.**

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